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## ABSTRACT

This document reports a study that investigated state management of the Job Training Partnership Act (JTPA) Title II-A programs and the Wagner-Peyser 10 percent set-aside for program years 1985 and 1986 to identify the most effective and efficient state JTPA management practices. Following an executive summary and introduction, section 1 contains case studies of Vermont, Nebraska, Idaho, Arizona, Maryland, Georgia, and Illinois. Section 2 contains the results of a mail survey of the remaining 43 states and 7 territories, of which 36 states, the District of Columbia, and the Virgin Islands responded. Findings reported concern the following areas: (1) JTPA administrative configuration, including state JTPA configuration, management of set-aside programs, the 3 percent set-aside program, the 8 percent set-aside program, and the 10 percent set-aside program; (2) state policy makers, including the state job training coordinating councils, and state legislatures; (3) state management practices, including policy, planning, and coordination; (4) state quality assurance functions, including performance standards, management information systems, compliance and fiscal controls, training and technical assistance, and communication. The text is supplemented by 10 data tables, and an appendix contains 3 additional tables on the characteristics of the states. (CML)

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**STUDY OF THE STATE MANAGEMENT  
OF THE JOB TRAINING  
PARTNERSHIP ACT**

**U.S. Department of Labor  
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**Prepared By:**

**Jose R. Figueroa  
Evelyn Ganzglass  
and  
Lorraine Amico**

**National Governors' Association  
Center for Policy Research**

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## EXECUTIVE SUMMARY

The Job Training Partnership Act (JTPA) transformed the state role in the administration of employment and training programs. Under JTPA, states are given major goal setting, coordination, management, and oversight responsibilities. Within the intergovernmental framework in which JTPA operates, governors give program direction through many of the organizational and administrative decisions they make.

The National Governors' Association conducted a study of state management of the Job Training Partnership Act for Program Years 1985 and 1986. The purpose of this study was to learn more about how states have used the policy and management tools available under the Act to exert influence on the delivery of employment and training services throughout the nation. The study was limited to Title II-A programs and the Wagner-Peyser ten percent set-aside. The goal of the study was to identify effective and efficient state JTPA management practices and policy processes. The study sought to determine the most effective and efficient management practices regarding organizational arrangements, planning, coordination, and communication between state and local officials.

Information from states was obtained in two ways. First, seven states were selected for case-study analysis to gain an in-depth understanding of the dynamics of state administration and its influence on local operations. These states were selected to reflect the range of different governance, political, size, and other circumstances that influence how JTPA is implemented. The seven case-study states selected are: Vermont, Nebraska, Idaho, Maryland, Arizona, Georgia, and Illinois. Second, a survey was mailed to the remaining 43 states and seven territories. Thirty-six states, the District of Columbia, and the Virgin Island responded.

This report presents findings related to administrative arrangement and management practices. It should be noted that some of these state administrative arrangements and policy practices were changed after the study was concluded.

### **Part I: Administrative Arrangements and Management Practices**

As previously mentioned, the goal of the study was to identify effective and efficient state JTPA management practices and policy processes. The proposed approach was to measure the effectiveness of state policies, procedures and practices primarily in terms of their positive effect on the quality of local programming. Attainment of federal performance standards and expenditure rates were suggested as the primary measures of program quality. These measures were suggested because data to construct these measures were both accessible and uniform among states.

These measures proved not to be sensitive enough to capture subtle differences in outcomes due to different management practices and policy processes. Although the study did not identify best administrative arrangements, management practices and policy processes, it successfully documented the different JTPA administrative arrangements and policy practices in place within the states at the end of PY 1986. The following are some of the major findings:

## ***State JTPA Administrative Configuration***

No single organizational arrangement or combination of state management practices is necessarily best. States considered good performers using the above criteria operated under different organizational arrangements and used various combinations of management practices.

The State Department of Labor was responsible for JTPA administration within one-third of the states. Within the remaining states, administrative responsibility was allocated fairly evenly among governors' offices and state agencies responsible for aspects of employment, training and economic development activities.

The authority of state JTPA offices over different aspects of the JTPA programs has differed among states. Some were responsible for all JTPA programs while others are responsible for only a few of the JTPA programs. One of the most prevalent combinations included oversight of the basic Title II-A (78%) and administration of the three percent and Title III programs.

States have created special organizational arrangements to overcome limited administrative resources. For instance, small states had to resort to special administrative arrangements to supplement limited dollars available to them for state administrative purposes. The administrative arrangements provided the state access to SDA administrative dollars.

For the most part, states have tended to use a similar proportion of resources for the same management functions. Small states, however, spent a larger proportion of their budget for planning and policy activities, and management information systems than did larger states. On the other hand, very large states, on average, spent a larger proportion of their resources on field operations than did smaller states.

## ***Set-Aside Program Management***

### ***Training Programs for Older Individuals***

Two-thirds of the states administered the three percent set-aside program through the state JTPA office and one-fifth of the states had designated the State Unit on Aging as the administrative entity for the program.

States were fairly evenly divided in how they distributed three percent funds throughout the state. One-third used either the Title II-A, a needs-based or other formula to distribute the funds. One-third distributed the funds through an RFP process and the remaining third of the states used some combination of the two.

## State Education Coordinating Grants

Within the states studied under the expenditure portion of the study, nine out of ten SDAs had received a least some three percent funds since the program's inception.

Organizational arrangements for administering both the coordination and services portion of the set-aside program differed considerably among states. As of PY 1985, about one-third of the states administered the coordination portion through the same state employment and training unit responsible for the basic Title II-A program management. Another quarter used the state vocational education unit, while one-third used other units within the state agency in charge of elementary and secondary education. In contrast, about one-half of the states administered the service portion of the eight percent set-aside through the employment and training unit while a quarter administered the program through the state vocational education unit and another quarter operated the program through the agency in charge of education.

States were fairly evenly divided in how they distributed the eight percent funds through different strategies. Over one-third of the states distributed the funds using the Title II-A formula. Just under one-third of the states used a competitive RFP process to allocate the resources; and another third used other strategies such as geographic targeting.

## *State Policymakers*

The role of State Job Training Coordinating Councils (SJTCs) in implementing and promoting policies varied considerably. Three-quarters of the states reported that SJTCs had a substantial impact on at least some aspects of state policy development for JTPA. By far, their greatest influence was reported in state incentive policy for exceeding performance standards.

State legislatures were reported to have provided policy direction and general oversight to the JTPA system on specific issues such as coordination between JTPA and other systems.

State officials were satisfied with the formal and informal methods of communication and consultation they had developed between themselves and policy-makers at the local level.

Nine out of ten states reported substantial involvement of SDAs and Private Industry Councils (PICs) in at least several areas of state policy development, especially the development of state incentive policies.

## *State Management Practices*

The JTPA objective of creating a decentralized performance-driven system has been accomplished. Using federally specified performance standards as a base, states have implemented incentives and sanctions policies which focus the management of JTPA programs on improving participant outcomes.

Services to the hard-to-serve were emphasized in all aspects of the Title II-A and Employment Services programs with seven out of 10 states using a combination of multiple JTPA resources to support the programs.

Both dropouts and other at-risk youth were targeted by about half of the states through both the basic Title II-A (78%) program and the eight percent education set-aside.

Emphasis on services to welfare recipients was most heavily promoted through state policy guidance to SDAs in the form of goals and objectives, coordination criteria, and equitable services requirements for the basic Title II-A (78%) program. Some states used the set-aside programs to provide services to welfare recipients.

Emphasis on remediation services for adults and youth was promoted by the states primarily through policy guidance given relative to the basic Title II-A and Employment Service programs, and the use of the eight percent set-aside.

States report the most extensive coordination with the Employment Service and Vocational Education followed by the welfare and economic development systems.

For the most part the JTPA management information systems were independent systems not connected to other state management systems.

Three of every five state had centralized automated management information systems maintained at the state level with Service Delivery Areas having on-line access to the state system to retrieve and update information. One of every five states had decentralized automated management information system maintained by each SDA.

The type of information included in the management information systems also varied among states. The vast majority contained individual record data and other states have limited access to SDA individual records.

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# **STUDY OF STATE MANAGEMENT OF THE JOB TRAINING PARTNERSHIP ACT**

## **INTRODUCTION**

In 1982, the Job Training Partnership Act (JTPA) replaced the Comprehensive Employment and Training Act (CETA) as the major employment and training program for the economically disadvantaged. The Job Training Partnership Act is divided into five titles. Programs for the disadvantaged are outlined essentially in Title II. The largest amount of JTPA dollars are appropriated for Title II programs: Title II-A, Adult and Youth Programs and Title II-B, Summer Youth Employment and Training Programs. Title III authorizes employment and training programs for dislocated workers. Title IV authorizes employment and training programs administered at the national level. The other two titles outline general requirements for employment and training programs under JTPA.

Under the Job Training Partnership Act, states are given major goal setting, coordination, management, and oversight responsibilities. JTPA's explicit shift of job training from a federal/local system to a state-centered one gave states an important set of policy tools for altering the way those systems and functions operate and interact.

Within the intergovernmental framework in which JTPA operates, governors give the program direction through many of the organizational and administrative decisions they make. Governors designate which state agency will administer the JTPA programs.

Governors are responsible for establishing the JTPA system within their states. They designate Service Delivery Areas (SDAs), certify local Private Industry Council (PICs), and create financial management, management information, performance standards and other systems. There are over 600 Service Delivery Areas nationwide. States are responsible for approving local job training plans, monitoring local performance, auditing, and taking corrective action through technical assistance and/or sanctions when it is required.

With the advice of their State Job Training Coordinating Councils, governors set specific goals for the program through the vehicle of the Governor's Coordination and Special Services Plan (GCSSP). This plan includes an explanation of how the state will carry out its responsibilities under the Act as well as a description of criteria by which local JTPA plans will be reviewed relative to coordination between JTPA and related systems.

State responsibilities under the Act are carried out using resources directly reserved for these purposes under Title II-A and Title V of the Act. Under Title II-A, 22 percent of the funds, the state set-asides as they are called, are allocated as follows:

- o five percent for auditing, administrative and other activities including coordination and special services, and support of the State Job Training Coordination Council;
- o six percent for performance incentives, incentives to serve hard-to serve individuals and technical assistance;
- o eight percent for education, training and coordination activities in conjunction with the education system; and
- o three percent for programs for older individuals.



Under Title V, ten percent of the Wagner-Peyser resources are reserved for use by the states to provide incentives for employment service offices and programs, develop services for groups with special needs and support the extra cost of exemplary models.

The purpose of this study was to learn more about how states have used the policy and management tools given them under the Act to exert their influence on the delivery of employment and training services throughout the nation. By design, the study was limited to Title II-A programs and the Wagner-Peyser ten percent set-aside. The Title III Dislocated Worker program was excluded.

In studying the state role under the Job Training Partnership Act we analyzed:

- o how states are organized to carry out their administrative responsibilities under the Act;
- o how states articulate policy priorities;
- o how states influence program quality by:
  - the way they define and reward good performance;
  - how they monitor local performance;
  - what kind of Management Information Systems they implement;
  - how they provide technical assistance; and when necessary apply sanctions; and
  - the way they promote communication between different levels of governance, and coordination between JTPA and related systems.

The study sought to determine whether certain state management practices and patterns associated with carrying out these functions were more effective than others in influencing local operations.

### ***APPROACH TAKEN IN THIS STUDY***

Information from states was obtained in two ways. First, we purposefully selected seven states for case-study analysis to gain a more in-depth understanding of the dynamics of state administration and its influence on local operations. In these states, we studied how factors such as the respective authorities of the governor and state legislature, traditional structures for state-local relations, and assignment of responsibilities within executive branch agencies influence the way in which JTPA is administered.

The case-study states were selected to reflect the range of different governance, political, size and other circumstances that influence how JTPA is implemented. Measures used for the selection of states were the size of the states' poverty population, population density, unemployment rate, the number of Metropolitan Statistical Areas, and size of the JTPA Title II-A PY 1985 allotment. For purposes of analysis, in order to link the case-study states to the remaining states, we created four clusters of states. These clusters are based on the PY 1985 Title II-A allotment which is highly correlated with the other factors considered. The four clusters are:

- o Small states with allotments under \$10 million;
- o Medium-sized states with allotments between \$10 and 30 million;
- o Large states with allotments between \$30 and 50 million; and
- o Very large states with allotments over \$50 million.

The seven case-study states selected are:

- o Vermont, a small state which has chosen to operate as a single-SDA state.
- o Nebraska, a small state which has three SDAs, one of which is a large "balance of state" SDA administered by the state.
- o Idaho, another small state which has worked out a special arrangement with its six SDAs so that it serves as their grant recipient and administrative entity. Idaho operates its JTPA program in conjunction with the Employment Service.
- o Maryland, a middle-sized state which operates its JTPA program in conjunction with the Employment Service and Unemployment Insurance programs.
- o Arizona, a middle-sized state which has a unique situation in that a large portion of the state's population is located in the thriving Maricopa county, Phoenix, Pima county, and Tucson. The rest of the state is sparsely populated and less industrialized.
- o Georgia, a large state which has emphasized local decision-making and autonomy in its conduct of state functions.
- o Illinois, a very large state with a tradition of high level of state involvement in local implementation of programs and a situation similar to several other large states of having one of the nation's largest cities within its jurisdiction.

Second, we conducted a mail survey of the remaining 43 states and seven territories during August, 1987, to obtain similar, but more limited information. Thirty-six states, the District of Columbia and the Virgin Islands responded.

The goal of the study was to identify effective and efficient state JTPA management practices and policy processes. The study sought to determine the most effective and efficient management practices regarding organizational arrangements, planning, coordination, monitoring, audit rules, management information systems, training and technical assistance, and communication between state and local officials. Although the study did not identify best administrative arrangements, management practices and policy processes, it successfully documented the different JTPA administrative arrangements and policy practices among states.

In addition, information was obtained on the influence of state legislature and State Job Training Coordinating Councils on the development and implementation of state policies and programs. The assumption was that the positive involvement of these bodies would have a salutatory impact on state effectiveness. Although interesting information was collected, we were not able to correlate their influence with other JTPA management factors.

The proposed approach was to measure the effectiveness of state policies, procedures and practices primarily in terms of their positive effect on the quality of local programming. Attainment of federal performance standards was suggested as the primary measure of local program quality. This was measured by comparing the actual performance of SDAs within the case study states against performance standards predicted by the U.S. Department of Labor performance models. Expenditure rates were defined as total expenditures as a percentage of all dollars available expenditure levels was suggested as a measure of both state effectiveness and efficiency.

These measures were suggested because data to construct these measures were both accessible and uniform among states. However, neither expenditure levels nor performance standards proved to be sensitive enough measures to capture subtle differences among management practices and policy processes. There are several reasons for this. First, the indicators themselves had severe limitations. Expenditures are affected by many simultaneous management practices and by external factors.

Performance standards, although a useful indicator, are only an approximation of achievement because states adjust performance standards beyond the models to account for unique circumstances at the local level. Although, we used the DOL adjustment models to predict performance, one of every ten states does not use the DOL models to adjust SDAs' performance standards. Furthermore, some states often impose additional standards which have an impact on local employment and training service mix and ultimately on other performance measures. Lastly, most SDAs have met their performance standards so there was little variation in this measure among states.

Two additional measures of state effectiveness were added during the survey phase of the project. They were:

- o the effectiveness of state policies and practices in promoting the following federal policy priorities: services to the hard-to-serve, dropouts, and welfare recipients;
- o the state JTPA staff's opinion regarding the relative effectiveness of various state management practices, policies, and programs.

The study of efficiency of state policies and practices was somewhat less problematic. The following indicators were used in addition to expenditure rates.

- o the intensity and incidence of coordination achieved between JTPA and related systems; and
- o the level of communication between the state and SDAs (including the state JTPA office location within state government, allocation of staff and resources to various state functions related to contact with SDAs).

It was assumed that good communication systems and a high level of coordination would reduce interagency and intergovernmental problems that impede the efficient conduct of business. It was also assumed that the way the state JTPA office was structured would have some influence on both its efficiency and effectiveness. The study documented how states have accommodated to their unique circumstances by substituting certain management practices from others.

For example, small states have created special state-SDA administrative arrangements to overcome limited administrative resources. Further studies should take into consideration all these possible substitutions and complexities within administrative arrangements and policy overlays.

The study also documents that particular policies can accomplish specific results. For instance, re-allocation policies seem to have a positive effect on expenditures. Similarly, targeted incentive policies seem to have an effect on particular performance outcomes. However, these policies were not implemented in isolation but rather in conjunction with other state policies and therefore the study was not able to isolate the unique effect of each policy.

One of the shortcomings of the project is that it was designed to analyze each management practice and policy process against each indicator. Information gathered through the study showed that this type of comparison is limited because it ignores the human factor involved in the administration of the program and the many factors affecting performance simultaneously, including many layers of decisionmakers within JTPA and outside JTPA.

Future studies should be limited to only one or few areas and must include in-depth analysis of all overlapping management practices and policy processes and any possible substitution.

If future studies are to look at the unique effect of particular policies within such a complex environment, outcome indicators that are sophisticated enough to measure subtle differences among states should be used. This task will be difficult given that truly experimental research design would not be possible because of the lack of control over the policy environment and the elements involved. Future studies may have to rely on other social research designs with results that are difficult to extrapolate to the general population. Quasi-experimental research design could be used to compare the outcomes of the group being studied to a control group selected through a matching procedure. Another option would be to limit the research to case studies.

Part one of this report provides information regarding the organizational structure and experience of the aforementioned seven states. These states have been arranged in ascending order according to size of the Title II-A state allotment. Part two of the report primarily presents the results of the mail survey. This information is supplemented with examples of the patterns and practices identified in the case-study states. All the information presented in this report reflects the situation in states as of the end of PY 1985, June 30, 1986. Changes have already occurred in some states since the data were collected; and changes are now under way in other states.

## ***SECTION I - CASE-STUDY STATES***



## VERMONT

### INTRODUCTION

#### *Socio-Economic Characteristics*

Vermont is small, 9,278 square miles, heavily rural, and consists of 14 counties which are divided into 12 labor market areas. There are several employment centers scattered throughout the State with at least one major employment center in each county except one (Grand Isle).

Total population in 1983 was an estimated 525,000. The state's largest city is Burlington and its metropolitan area had an estimated 123,800 residents as of 1983. Statewide, only eight cities and towns has populations of 10,000 or more, according to the 1980 Census, Burlington had 37,712 people in 1980. Between 1980 and 1983, the largest share of the population increase occurred in the 40-44 age group, while the smallest expansion occurred in an older age category. The largest proportion of the population in 1983 was found in the 20-24 age group. Vermont's nonwhite population is very small, accounting for less than one percent of the total. In 1983, females outnumbered males by about 5.6 percent. The economically disadvantaged population in 1985 numbered 100,178 (all ages) and 73,853 people ages 14 and older. This population is 98.6 percent white, 55.2 percent female and 32 percent AFDC recipient.

During 1984, Vermont's per capita income reached \$10,692. Annual wages drawn from unemployment compensation tax reports filed by Vermont's private sector employers averaged \$15,201 and average hourly earnings for manufacturing production workers were \$8.03.

Vermont's annual average labor force was 269,000 in 1984, according to the Current Population Survey adjusted estimates. The average unemployment rate was 5.2 percent in 1984. Labor force growth (22 percent from 1976 to 1984) resulted from growth in the working-age population and from increased participation of teenagers and women.

Nonagricultural wage and salary employment averaged 214,850 jobs in 1984. Between 1980 and 1984, all of the growth in nonagricultural wage and salary employment was in the nonmanufacturing sector, with the manufacturing sector showing a net loss of jobs. Total employment is expected to increase by 22.5 percent between 1980 and 1990, reaching 256,500.

The economy was healthy in 1986, despite the continued decline of traditional manufacturing, assembly and furniture industries. The northern tier counties along the Canadian border is the state's most depressed area. The economic conditions of the state are believed by a JTPA official to have had no appreciable effect in terms of JTPA performance.

#### *State JTPA Profile Summary*

PY 1985 Title II-A Allocation	\$4,708,878
PY 1985 5% Allocation	\$ 235,144
Number of SDAs	1
Number of Individuals Terminated (PY 1985)	3,057

## **JTPA ADMINISTRATIVE CONFIGURATION**

### ***State JTPA Configuration***

Vermont administers the basic JTPA Title II-A program as a statewide single SDA. The single SDA approach seemed to state officials to be the only sensible option based on state size and the population distribution across the state rather than in major cities. In the view of top JTPA administrators, the single most important factor in the state's JTPA success as of PY 1986 is the fact of being organized as a single, statewide Service Delivery Area. This has meant that the state has direct control over the planning and operations, access to local service providers, and discretion in the distribution of fiscal resources. The arrangement enhances cost effectiveness, insures effective use of staff time, and enables the state to react quickly to new initiatives and emerging problems.

Job Training Partnership Act programs were administered by the Job Training Office (JTO) of the Vermont Department of Employment and Training (DET) which was the JTPA grant recipient and administrative entity. The Commissioner of the Department has been appointed the Governor's designee on all JTPA-related issues and reports directly to the Governor.

The JTO was one of four collateral divisions answering to the DET Commissioner. The other three divisions are Employment Service (ES), Unemployment Insurance (UI), and Administrative Services.

The JTO was responsible for the Title II-A basic program (78%), the five percent and six percent set-asides. In addition, the JTO was responsible for the State Council Activities, Title III and SDA administration. The JTO also administered the Older Workers three percent program and the eight percent set-aside program. The ten percent program was administered by the Job Service, in the same parent agency. The ES Director reports to the DET Commissioner as did the JTO Director.

A total staff of 12 in 1985, not counting the director, performed all JTPA administrative, planning and State Job Training Coordinating Council (SJTCC) support activities for the state. The staff arrangement was intended to allow management by function rather than by grant. Within the current (1987) JTO structure, there are two section chiefs who supervise a total of 20 staff. A staff person is outstationed in the State's economic development agency. The SDA administrative staff is not organized separately from the State administrative staff.

### ***Set-Aside Program Management***

#### ***Three Percent Set-Aside Program***

Vermont has placed considerable emphasis on providing services to the aging workforce, and has significantly increased service levels to older workers as compared to the levels under CETA. Coordination and a mutually supportive relationship with Title V of the Older Americans Act has been achieved with three percent funds, and the state has clearly opened and improved channels of communication between and among the various agencies serving older workers. JTPA has been the catalyst to bring the various sectors to the table. In addition, older workers are being integrated with the Title II-A 78 percent program and are enrolling in programs other than just the three percent program.

The major priorities of the three percent program are placement of older workers in unsubsidized jobs, coordination with Title V programs and STEP/OTT (assessment and placement). The service priority for the three percent program is individuals age 55 to 62. Some innovative efforts for older workers under JTPA include trial employment using Title V funds to provide a 100 percent employer subsidy for up to two weeks of employment for an older prospective employee.

The state JTPA Administrative staff provides the primary day-to-day administrative support including strategic planning (determining the general goals and policies) and general oversight responsibility for the three percent program. There is no separate staff dedicated to this function. Staff hours are charged to the three percent as needed. This organizational arrangement was chosen because it is consistent with Vermont's administration of all JTPA grants, and with the philosophy of assigning functional responsibility rather than grant specific duties.

Implementation activities, however, are contracted out to a private, nonprofit firm which also operates a large portion of the state's Title V program. The three percent contractor, a private nonprofit corporation, develops the three percent proposal annually and is the sole provider of three percent participant services. The JTPA Administrative staff, prior to proposal development, does "pre-planning" to determine the direction of the program. Subsequently, JTPA staff co-plan and review the progress being made. In 1986, there were two to three joint meetings during the proposal development process.

The PY 1985 three percent allotment was \$141,000 (new dollars). The three percent funds are distributed through a closed request-for-proposal (RFP) process. The state has "dedicated" service levels in terms of funds for older workers under JTPA. The three percent program operator has in-kind support for JTPA activities through Title V of the Older Americans Act.

A JTPA official believes that there are not sufficient administrative resources to meet its responsibilities under the Act. A larger three percent program grant could generate a permanent older worker's specialist who could communicate and integrate programs daily.

Although the practice is not widespread, Vermont allows dual enrollment between the three percent and the Title II-A basic (78%) programs. While there is no formal policy supporting provision of other educational services such as Adult Basic Education or Vocational Education to three percent participants, these have become part of the program design.

According to a JTPA official, recruitment of clients is a major problem because it is hard to locate people in a rural state and sometimes even harder to convince them to participate in JTPA. Recruitment has been strengthened through an improved referral process from the state's Area Agencies on Aging to the three percent program. Also the relationship of the three percent program with the Job Service has been improved, specifically through some of the ES ten percent experimental programs. Marketing techniques have been sharpened and refined in order to persuade employers to eliminate their biases toward older workers.



### **Eight Percent Set-Aside Program**

The State JTPA staff provide day-to-day administration for the Education Set-Aside program including both the participant services and the coordination funds. They determine the general goals and policies of the eight percent program in cooperation with the Department of Education. There is no separate staff assigned to the eight percent activities. However, there is an eight percent staff in the Vermont Department of Education's Adult and Vocational Education Division, which reports to that division's director. The DOE provides the matching funds for the eight percent Set-Aside which includes additional administrative support.

This arrangement was chosen because it fits the framework and the underlying administrative philosophy for all the programs statewide. The strengths of this arrangement are that it allows the eight percent programs to be connected and integrated within the educational system and it clarifies the referral and intake process statewide, which is done by Job Service.

The coordination funds (20%) are used to support the administration of the eight percent program in both DOE and the JTPA administrative entity and the demonstration of a competency-based research and development education project to transition vocational education as a whole to an open entry/open exit system which is competency based.

The major priorities of the program are to provide services to economically disadvantaged adults, to improve the vocational education system to make it more accessible to adults and to leverage change in the system. The rationale for these priorities is that the Vermont vocational education system needs support in making improvements and youth are being served with seventy-eight percent funds. Priority service is given to adults age 22 years and older.

Enrollment between eight percent programs and the SDA's basic Title II-A (78%) and Summer Youth programs is allowed but in practice gets minimal use. There is a policy supporting provision of other educational services such as Adult Basic Education (ABE) or Vocational Education to eight percent participants on a regular basis. The pattern of services is to provide either vocational training or ABE, or both to all participants in eight percent programs.

The most successful aspects of the Education Set-aside are the joint program development between the Education Department and the DET and that JTPA funds are used to leverage change in the education system. Both agencies are committed to and involved in joint planning and the result, according to a JTPA official, is better program design, a wider network for planning and real program innovation, all of which have already been observed. It also creates the opportunity to coordinate education with economic development and ES services.

Another benefit is that Vermont's secondary vocational education system has been opened to adults, with the designation of sixteen adult vocational education coordinators in each of the state's vocational education centers. Currently, a major question for the state is how to maintain the adult employment program without JTPA funds. A JTPA official believes the eight percent funds were not intended to pay for this service indefinitely, but only to help get it underway. Vermont is presently establishing a tuition schedule designed to make the adult vocational education program self-supporting in the future.

### **Ten Percent Set-Aside Program**

In Vermont, the Job Service is a division collateral with JTPA in the Department of Employment and Training. The Job Service Division operates the bulk of the JTPA Title II-A programs as well as the Work Incentive (WIN) and Wagner-Peyser programs. This arrangement allows for the greatest integration of funds and services to meet individual client needs, while JTPA is seen as the vehicle to get the resources together.

The total allotment for the ten percent set-aside is \$242,825. The ten percent set-aside funding is being spent for special-purpose and/or demonstration programs. Generally the ten percent funds are now allocated to provide resources for program services not otherwise available.

The major priority of the ten percent program is statewide program initiative coordinating WIN, JTPA, Education and Wagner-Peyser to serve single-parents. The rationale for this priority is the growth of the single-parent population as a percent of the welfare caseload and the families in poverty. Also federal cuts in WIN funds necessitated use of a large portion of the ten percent funds to alleviate the loss of WIN funded staff involved in the single parent program.

According to the ES Director, JTPA's first two years produced better understanding of roles and relations among various state and local actors; now the Director sees more cooperation at the local level, and more local initiative, than was evident at JTPA's outset.

The most successful aspects of the ten percent program were that it facilitates and encourages innovative uses of the Wagner-Peyser funds and leverages JTPA and Wagner-Peyser coordination of resources (as much as possible goes to program services). Results include joint funding of a Wagner-Peyser Work Experience program for special target groups that respond to local labor market needs.

### **STATE POLICYMAKERS**

#### ***State Job Training Coordinating Council***

The Council serves as a combined Private Industry Council and State Job Training Coordinating Council. While the Council has been characterized as reactive, it generally discusses, reviews and approves policies proposed by the JTPA Administrative staff. The council's role has grown perceptibly in recent months largely as a result of the efforts by the present council chair and key state JTPA administrative support staff. Organizationally the Council reported to the JTO Director. Although the Council Chair has direct access to the Governor, the Governor usually communicates to the Council through the JTPA Administrator.

The Council has traditionally been very task and project oriented. The council has worked on a variety of issues which include:

- o remediation and literacy: the council sponsored a conference on re-connecting youth and also emphasized getting adults in vocational training.
- o serving single heads of households: the council instituted an open RFP process for the hard-to-serve, began a new initiative called REACH-UP and instituted a change in JTPA policy on payments to AFDC recipients.

- o mandatory training of welfare and UI recipients: the council asked for a special study of the UI/welfare situation.
- o financial accountability: the council adopted a sanctions procedure for contractors that do not maintain a balance between spending for training and spending for support services.
- o youth competencies and promoting the work ethic: items for which strategies are continually being developed, which are of particular interest to the private sector.
- o marketing: the council mandated to allocate \$25,000 for a pilot marketing project to promote employment and training programs to the news media, the business community and the general public, this is also of interest to the private sector.
- o educational coordination: various aspects of JTPA planning including 8 percent set-aside funds and in-school programming under 78 percent funds.
- o employment service: sustaining the ES role for program delivery.

The Council has not been directly involved in monitoring/evaluating the contractors although Council members have been invited to participate. This has been done by the JTPA administrative staff. Also, sponsored by the Council, but implemented by JTPA administrative staff, is the 13-week follow-up study.

The council works through committees which meet quarterly. The 5 committees include: executive, planning, oversight, youth and marketing. The full council meets 5 times a year or every other month except during the summer. The Chair in PY 1986 was an executive of a major company in Vermont. Council membership did not include a legislator but did include several representatives of the general public.

There are no separate staff for council activities. Support to the 5 committees of the council is provided by 5 specified JTPA office staff members. These staff members do not spend full time on council business dividing their time among competing responsibilities. Also because there is no identifiable council budget, council activities must compete with other activities. The funds used are considered sufficient to cover the current activity level of the council, however it is felt that for more active council participation additional funds would be necessary.

### ***State Legislature***

The state legislature has not enacted any laws or requirements affecting the administration or operations of JTPA. However, two pieces of legislation are tangentially related to specific programs. One is the Youth Conservation Corps which specifies that 50 percent of participants will be JTPA eligible. This legislation provides no state funds but uses JTPA and private funds (of 36 1986 enrollees, 27 were paid for with JTPA funds and 9 were paid with private sector funding). The other bill concerns the Children's Trust Fund. It complements JTPA by using \$150,000 in state funds to leverage Juvenile Justice federal dollars. The purpose is to support prevention programs.

In general, state funds are not appropriated specifically to supplement or complement JTPA activities. The legislature has not been involved in JTPA oversight or with other regular activities except for annual approval of a JTPA budget as it is submitted by the DET Commissioner and for review of JTPA plans.

## **STATE MANAGEMENT PRACTICES**

### ***Policy and Planning***

Another factor contributing to the state's success has been the use of JTPA as a catalyst to leverage non-JTPA funds. The \$6.8 million from all titles of the program leverages millions more, according to a JTPA official. An example is the REACH-UP program which is leveraging state educational funding, Carl Perkins vocational education funds, displaced homemaker funds, WIN money and others. The Governor revised the former Governor's Special Employment and Training Cabinet into a Job Skills Cabinet made up of the heads of Employment and Training, Human Services, Education, Development and Community Affairs, Labor and Industry and Policy Research and Coordination. The DET Commissioner chairs this Cabinet. The Cabinet is responsible for ensuring that the education and training systems are coordinated to the maximum extent possible, that clients served are the most in need, and that a plan is developed for on-going achievement of objectives.

The REACH UP program, which officially started on July 1, 1986, is being implemented by the Job Skills Cabinet as the lead agent. The program is a new approach to mobilizing multiple agencies serving AFDC clients in order to address employment and self sufficiency barriers for single and unemployed parents. REACH UP involved extensive training of agency staff.

The Governor's statement of Employment and Training goals for JTPA related activities, found in the GCSSP, is reviewed and updated annually. It is developed primarily internally (DET, agencies, subrecipients and the Council). Progress toward achieving the goals was not measured previously. The staff did plan to measure progress for PY 1986 however. The Coordination Criteria were to be used as the basis for measuring progress; and to that end, all coordination criteria have been stated in quantifiable terms in PY 1986. In PY 86, results were to be monitored and appropriate corrective action will be taken depending upon the outcome.

Funds are allocated to meet the needs identified by the Governor and/or the Council. For example, \$400,000 was earmarked for "open" RFPs aimed at serving the hard-to-serve, (ie: high school dropouts, single parents and handicapped youth); \$100,000 was earmarked for entrepreneurial training for JTPA eligibles and \$75,000 to \$80,000 was earmarked for a Career Beginnings demonstration program.

The JTO had a quasi-formal rule-making process for developing and promulgating administrative policies. A policy manual is used plus a series letters which are equivalent of field memos. If there are changes made in administrative policies that liberalize the rules, there is no consultation with the operators. However, if changes restrict or limit operators, they are consulted in advance. The speed of the entire process varies based on the urgency of the policy. It can be completed in one day, if necessary.



## ***Coordination***

JTPA staff believes that one of the factors contributing to their success has been the high level of coordination achieved through the Governors' Job Skills Cabinet and other agencies, especially coordination with the Employment Service, Economic Development, Education and Social Welfare. Another key accomplishment has been JTPA's ability to produce change in the vocational education system. JTPA established educational competencies in the areas of pre-employment skills, work maturity skills, and occupational skills. The state's vocational education system now requires the attainment of these competencies for all youth in vocational schools. Specific actions taken by the JTO to increase collaboration or reduce barriers to coordination between programs operated by JTPA include:

- o **Employment Service:** ES is part of DET and is JTPA's largest service deliverer, a joint planning process has been put in place, regional meetings occur with local ES managers and staff to effect joint planning annually, and the joint presentation of plans to the State Council.
- o **Economic Development:** a JTPA staff person is outstationed as a liaison with the state economic development agency to provide a JTPA link with statewide economic development activity (business start-up for expansions, closures and slowdowns, entrepreneurial training for the economically disadvantaged) and meetings with local economic development officials.
- o **Secondary Education:** membership on the State Council, representation from all labor market areas on the substate interagency groups, the Commissioner of Education is on the Governor's Job Skills Cabinet, use of the 8% funds to increase JTPA collaboration with the local school systems, development of a joint RFP process for serving in-school youth and joint planning meetings with the vocational education staff statewide.
- o **Post-Secondary Education:** State Council membership (for higher education), Career Beginnings prototype started for disadvantaged youth.
- o **Welfare:** REACH UP program, targeting is required of all service deliverers which is intended to increase service levels, and meetings with the welfare staff to conduct joint analysis and study individual cases to effect policies (JTPA administration, Food Stamps, AFDC and Employment Service have been involved).

## ***STATE QUALITY ASSURANCE FUNCTIONS***

### ***Performance Standards***

The performance standards system including the standards, incentives, sanctions and technical assistance are developed primarily by the State JTPA office with input from the program operators and contractors with council approval. The JTPA office administers the performance standards with council approval. Planning staff develop the standards and other staff administer them.

Four additional standards were established by the state. These include retention on the job and wage increase for adults and youth.

In determining whether requests for performance standards adjustments should be granted the SDA staff negotiate with the service deliverers to establish varying performance standards for different types of youth programs.

There are measurable goals for the three percent and eight percent participant service activities which include: entered employment rate, cost/entered employment, for the three percent and eight percent service levels and enrollment targets for the three percent and positive terminations, placement/service ratios for staff for the eight percent. These are determined through negotiations with the individual contractor. If these goals are not met, a corrective action plan is initiated and ultimately it affects the following year's negotiations. There are no financial incentives for those who do meet or exceed the goals/standards other than for those contractors performing under a performance based contract.

Incentives are awarded to a limited number of small performance based contracts (about 7% of the six percent funds in PY 1985) to private, nonprofit organizations. The six percent funds are used primarily to finance "open" RFPs solicited from community-based organizations (CBOs) and other vendors. At the time of the visit, there was no clearly-planned use for the "incentive" aspect of the six percent grant. With only one SDA to provide incentives to, the state was able to accumulate substantial amounts of prior-year six percent money as a hedge against possible future overall funding cuts. According to the PY 1985 year-end report, less than one-third of the available six percent funding in Vermont was spent by June 30, 1986. State staff and the Council were jointly contemplating best uses of these funds at the time of the site visit. Using an open RFP to serve the hard-to-serve was being considered.

Specific remedial technical assistance is provided to contractors which fail to meet performance standards. The problems are identified through desk review and monthly management reports, as well as through on-site visits. Technical assistance is provided on-site generally. There is no state policy on sanctions beyond that of the Act, although the assurances and certifications section of all contracts calls for cancellation in the event of severe, uncorrected problems.

The state evaluated activities through a 13 week and a one year follow-up for all participants across all programs. A youth competencies follow-up study was also done which involved talking to former counselors, youth and current employers of JTPA youth.

The set-aside programs are evaluated and reported on in the same manner as the regular Title II-A (78%) programs (ie: 13-week and one year follow-up study. Although the eight percent and three percent programs are included in the follow-up (outcomes) evaluation, three percent is not identified separately in published reports. The evaluation of the three percent program has resulted in some change of policies on who gets served and how. In addition, JTPA field staff perform qualitative evaluation in conjunction with their regular field visits.

The state evaluates the content of the eight percent program using a state-developed instrument. This is done for all adult diploma, and adult vocational education programs. There is also an evaluation of individual performance through a two tier competency system. Through evaluations, an increase in staff hours was permitted for DOE to run the eight percent programs. In some cases, staff commitment was increased to full time.

## ***Management Information Systems***

Vermont has a centralized, automated management information system for the reporting of information on contractor activities. The system is available to contractors for use as a management information system of their own, the bulk of the basic Title II-A (78%) data are handled on-line by ES. Some operators do not have computer terminals; their data is batch processed. The system presently does not include financial data, but it is being worked on. More information than is required on the federal Annual Status Report is received including characteristics on all enrollees rather than just terminees, family status and characteristics, labor force status and additional target groups such as displaced homemaker, food stamp recipient.

The participant reporting system for the three percent and eight percent programs was done on a batch processing system which is automated after the batch reports arrive at the state level. This is compatible with the system required of the 78% program. The eight percent data for example are added in after batching occurs.

Part of a staff person's time in the LMI division is paid for annually with JTPA administrative funds. LMI training sessions are offered in concert with the Labor Market Information Office (Research and Analysis) of the DET. A JTPA official believes that available short-term LMI data (ie: 6 months to one year) are inadequate for employment and training uses in that more work needs to be done in this area.

## ***Compliance and Fiscal Controls***

The Title II-A basic (78%) funds are allocated to contractors through a request-for-proposal (RFP) process that is closed for large contractors, such as the Employment Service, Education and Personnel and open for special services. There are no significant data nor other constraints on the procedure. This procedure has changed over time. It's been opened to others after being restricted initially, and there's now less "forced feeding" of large contractors.

Contractors are desk-monitored monthly for equity of services and quarterly for expenditures and monitored as-needed on-site. Monitoring is conducted in the standard areas; but JTPA staff also evaluate and document the quality of services, specific outcomes and compliance issues. The corrective action taken depends on the severity of the problem. Sometimes a letter is sufficient, in other cases an on-site visit is used.

The State Policy Manual is used as the financial management handbook or audit guide for sub-contractors. The service deliverers are monitored for financial compliance as needed by the staff. Quarterly on-site monitoring of the three percent program is conducted. Corrective action is enforced through corrective action letters, revisiting sites and persuasion when deficiencies are found. On-site technical assistance is provided for financial management only when errors are found and through training sessions. Training for contractors' financial management staff is provided only when changes in procedures occur.

JTPA was moving from a once every two years schedule to an annual audit system to meet the requirements of the single audit act. A contractor chosen by the JTPA administration conducts the audits for all of the JTPA programs. The source of funds for the audits is the JTPA five percent funds.

Vermont has implemented a reallocation policy for the unspent basic Title II-A (78%) funds, through the assurances and certifications section of all contracts. Any unspent funds including three percent, six percent and eight percent funds, revert back to the JTPA administrative entity at the end of each program year. Other steps taken to increase expenditures include corrective action plans that specify a proposed plan for the particular contractor. This usually has served to improve rates of expenditures. Regular fiscal and participant monitoring and evaluation, TA visits, desk reviews and quarterly reviews through monthly management reports are other methods used to insure that all JTPA funds including the three percent are spent in a timely manner. There is no separate process for financial monitoring of eight percent funds. The process is the same as for all programs. On-site monitoring of the eight percent activities is conducted as needed. If corrective action is needed it is handled by letter or in person.

### ***Training and Technical Assistance***

Vermont provides preventative as well as remedial technical assistance with six percent funds and staff are satisfied with the level of TA that is provided. With only a few exceptions, training and technical assistance is provided to Vermont program operators from the core staff within DET. The state JTPA administrative staff provides on-going conferences, annual training on forms preparation and on youth competencies, on-site visits and phone consultation as needed.

In addition to quality assurance specialists specifically for three through five percent, six percent and administrative funds to provide Technical Assistance to contractors, the entire state staff provides Technical Assistance at times. The specialized staff have expertise in planning, MIS and financial management. The areas covered include in order of most emphasis: evaluation assistance, performance, state and federal policy information, MIS, planning assistance, monitoring assistance, and LMI.

Formal inservice and pre-service training for state JTPA staff, and service deliverer staff is provided. Areas stressed cover planning strategies, performance and MIS, state/federal policy information, financial management, LMI, and monitoring and evaluation techniques. These topics were determined by state JTPA staff, service deliverer and Council suggestions.

Training sessions range from 1 hour to 2.5 days for youth competencies for example. The most common length of training is 2 hours although it varies considerably by subject and audience. The training is provided by the state staff and by other state or local agencies providing in-kind services and by contractors obtained by the SDA for leadership and management development training. Participants' travel expenses are covered.

Technical assistance is provided as needed to the three percent contractor, with special emphasis placed on training on MIS forms. Annual training, usually for a half a day is provided for forms preparation, and also on the state policy manual. In PY 85, \$7800 was spent on training and administrative services to the three percent contractor.

Technical assistance is provided to eight percent contractors in forms preparation and through monitoring and evaluation visits. Forms preparation training (MIS and FMS) are provided annually.



### ***Communication***

General communication with major contractors is good according to a JTPA official and generally consensus is reached on important issues. In general, relations with the State Council have improved and joint-planning has raised professional trust levels with the major service deliverers. The opinions of contractors are solicited on a regular but not formal basis through substate regional meetings held by the JTPA staff in PY 1985.

Regular meetings are held with contractors as needed. There are training and planning sessions with the contractors' staff as needed and annual training for new staff. The JTPA State staff visit contractors for evaluation and technical assistance in addition to monitoring visits as needed on an on-going basis. Written communication through series letters and corrective action plans are provided as needed.

Contractors have not expressed dissatisfaction with the level or type of communication with the JTPA State staff except for the number of policies that are in effect and the number of requirements there are for accountability.

During the end of PY 1986, and into PY 1987, the Vermont State JTPA Administrative structure was changed as part of a Department wide reorganization plan. State ES Administration and Unemployment Insurance Administration were combined with State JTPA Administration forming one larger Division out of three smaller ones. This was done to facilitate joint planning and to improve services to clients. The JTPA Administrative Structure described in this Case Study therefore, has been changed significantly from that in place during PY 1985.

## NEBRASKA

### INTRODUCTION

#### *Socio-Economic Characteristics*

Nebraska's population in 1980 was nearly 1,570,000. This represents an increase of 84,500 from the 1970 total. The state is one of the fastest growing in the High Plains region. Nebraska has only two Metropolitan Statistical Areas located in the cities of Lincoln and Omaha.

Nebraska's economy has historically been agriculturally based, and agriculture is still a major source of income in the state. However, declining agricultural employment over the years has been accompanied by an even larger increase in manufacturing and service industries employment. Manufacturing now provides more jobs on an annual average than does agriculture while service industry growth is the fastest of all economic sectors in the state.

The labor force numbered about 813,000 people in 1985. The labor force increased more than 22 percent during the 1970s. It is projected to increase by 64,000 persons during the 1980s.

Farm employment is 9.4 percent of the state's work force. The bulk of non-farm employment (80.1 percent of wage and salary employment) is dominated by non-manufacturing employment.

According to a JTPA official, increases in the service industry have led to a lowering of the states average wages, and decreases in agriculture business have led to a greater need for retraining.

#### *State JTPA Profile Summary*

PY 1985 Title II-A Allocation	\$6,936,914
PY 1985 5% Allocation	\$ 346,846
Number of SDAs	3
Number of Individuals Terminated (PY 1985)	3,927

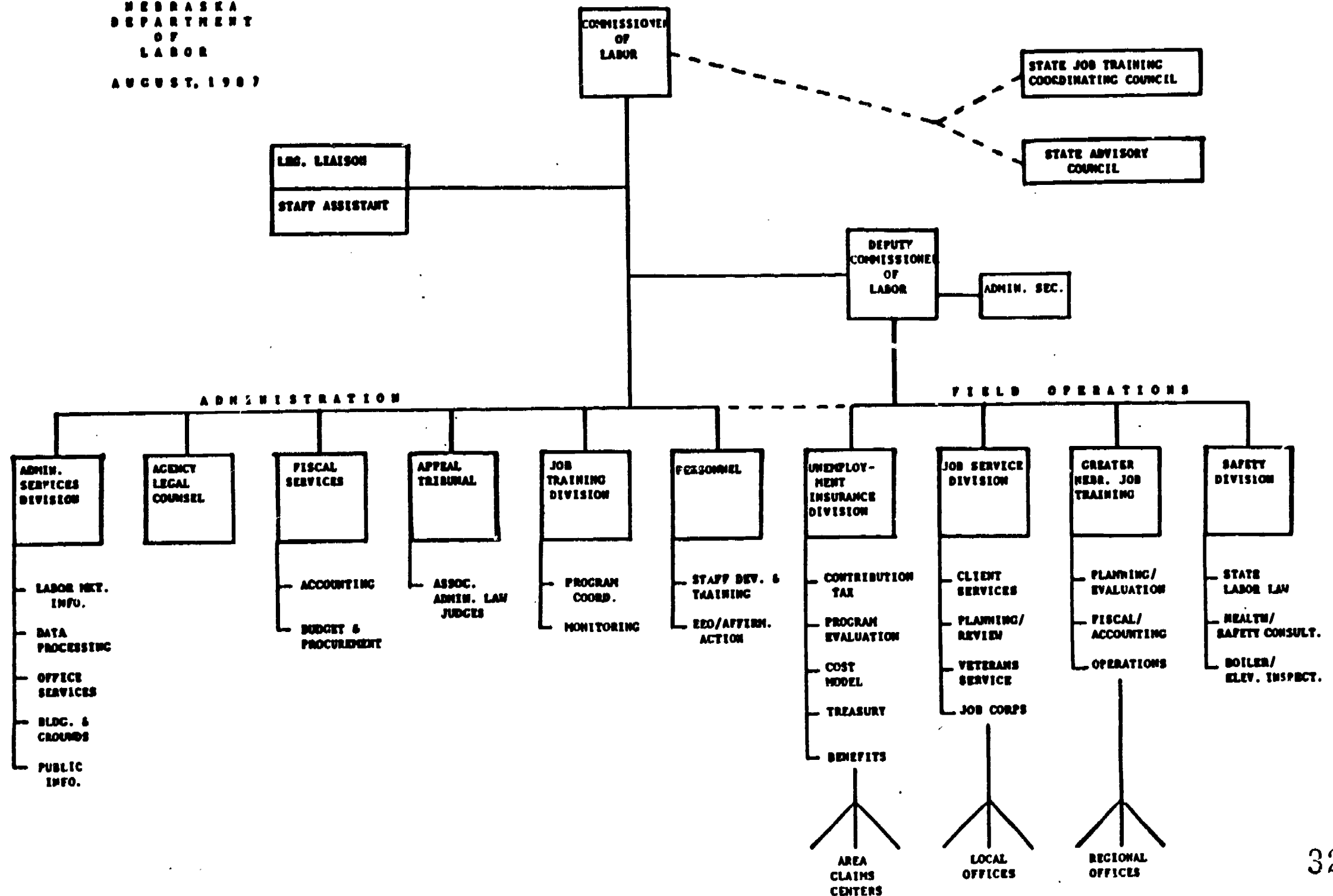
### JTPA ADMINISTRATIVE CONFIGURATION

#### *State JTPA Configuration*

The state has three SDAs, two consisting of MSAs (Lincoln, and Omaha) and the third (Greater Nebraska) consisting of 88 of the State's 93 counties. This configuration is almost the same as it was under CETA, when the two cities were prime sponsors and there was a Balance-of-State prime sponsor.

According to a JTPA official, the most successful aspects of the state's management of the JTPA program, have been the active involvement of the State Council and its broad membership which includes all of the major actors at the state level as well as all of the PIC chairs. In addition, the state is proud of its re-allocation policy, which allows the state to move unspent funds in excess of ten percent between JTPA grants and contracts, its statewide centralized MIS which contains data on all JTPA activities, and the coordination achieved with the State Departments of Aging and Economic Development.

NEBRASKA  
DEPARTMENT  
OF  
LABOR  
AUGUST, 1987



The JTPA is administered at the state level by the State Department of Labor. All state JTPA administration, including the SJTCC staff support, SDA administration, oversight, grant management, management information system, and set-aside program administration is organized within the Department, collateral with the Job Service, Unemployment Insurance (UI), Occupational Safety and Health Administration (OSHA), and Wage and Hour programs. The principal JTPA official in the state, the JTPA Administrator, is the Job Training Division Director, who reports to the State Labor Commissioner who reports to the Governor.

This arrangement was chosen because of previous Labor Department experience in the administration of employment and training systems. The strengths include coordination with other Labor Department programs such as Job Service, UI and the Department of Economic Development through a liaison position. The overall arrangement has changed since the inception of JTPA, with some modifications within the Labor Department. A Deputy Commissioner position was established to enhance coordination of JTPA programs in DOL and DOL activities with other State agencies and activities.

As under CETA, the State Department of Labor serves as the grant recipient and administrative entity for the Greater Nebraska SDA. The Greater Nebraska PIC selected the Labor Department to be the administrative and grant agent based on the Department's experience and performance as a CETA Balance of State Prime Sponsor. The benefits of this arrangement are that both the management and delivery systems were developed and available to operate immediately. Additionally the PIC is strong and active in its direction and policy to the Greater Nebraska SDA.

The JTPA state administrative and the Greater Nebraska SDA staff reports to the Deputy Commissioner; however, they are separate divisions and have separate staffing. In addition to being responsible for the Greater Nebraska SDA, the Labor Department is also responsible for inter-department coordination and the safety programs. The JTPA state administrative office includes two unit. One is a coordination role with responsibility for council support \$12,000 of five percent funds and .75 full-time equivalent (FTE) position, grant management, policy and grant management with the SDAs. The other unit has responsibility for monitoring, oversight and supervision of the MIS unit. Other DOL JTPA staff include an Economic Development Liaison (1 position funded with six percent funds), a Budget Office, a clerk in the Finance Section, and a Data Processing programming professional.

Other than the Deputy Commissioner and his assistant (paid for with five percent and other Nebraska DOL funds), there are 11.25 FTE positions funded with five percent money and three positions funded by six percent funds in the Labor Department. The State Administration does not provide administrative support or services for the three percent, eight percent, ten percent or the Title III program.

Administrative cost pooling is not used between State and SDA administrative activities nor between the Set-Aside programs. The total five percent allotment for PY 1986 was \$295,104. No other resources are available for providing administrative support for the state JTPA administrative activities.

Major issues in successful execution of JTPA administrative responsibilities include the limited administrative funding at the state level due to the hard fact of five percent of a small state allocation. There is a need for a floor of administrative funding for JTPA at the state level according to a JTPA official.

## ***Set-Aside Program Management***

### ***Three Percent Set-Aside Program***

The three percent older worker funds are contracted to the Department of Aging (an independent agency) and sub-contracted to the Area Aging programs of the Department. At the local level coordination is required between the three percent agency and the SDA. There are two full-time equivalent positions in the Department of Aging assigned to this program with no staff in the Department of Labor. The first year of JTPA the award to the Department of Aging was the result of a request for proposal. Since that time the policy was to continue that arrangement.

The current arrangement to award the program to a single operator was chosen and is believed to be successful because the Department of Aging works with the target population, is sensitive to the target group, has an established outreach system and has access to other resources and programs serving older individuals.

The total PY 1985 three percent allotment was \$290,452. Expenditures totaled \$238,475. The total administrative budget is provided entirely from the State's JTPA three percent allocation. There are no in-kind resources available for the support of older worker activities. An Aging Department official believes there are sufficient administrative resources to meet its responsibilities under the Act however, the total JTPA funding to the state limits this grant activity.

The JTPA and the three percent administrative entities determine the general goals and policies of the program. The major priorities of the program are to provide services and job training and to place older individuals in jobs. There are no target groups selected to receive priority for services. The JTPA legislation provides the rationale for these decisions.

Dual enrollments between three percent and title II-A basic program activities are not allowed. Other educational services such as Adult Basic Education or Vocational Education to three percent participants on a regular basis are allowed however there is no formal policy concerning this.

### ***Eight Percent Set-Aside Program***

The Division of Vocational Education in the Department of Education provides the day-to-day administration of the eight percent participant service and coordination funds. The Vocational Education Division is also responsible for the Perkins' Act funds. This arrangement was chosen because of the previous experience and performance of the Vocational Education Division under the CETA eight percent Vocational Educational grant. State officials believe that the most successful aspects of the program are that the planning activities for the eight percent activities are coordinated with Title II-A planning at the SDA level. The eight percent activities are coordinated closely with other JTPA activities at the SDA level and with other educational activities.

There is a separate staff (1 full-time-equivalent staff person in the Department of Education) assigned to the eight percent program. The total administrative budget is provided entirely from the State's JTPA eight percent allocation. There are no in-kind resources available for the support of eight percent administrative activities.



The total PY 1985 allotment, including carry-over was \$650,965 and expenditures were \$613,549 of which \$122,710 was for coordination activities, \$441,755 was for participant services and \$49,084 was for administrative costs. The matching funds are provided from local sources for the eight percent program. Funds are allocated by the Title II-A formula using the same method used to distribute the title II-A basic (78%) funds. The 20 percent coordination funds are added to the 80 percent funds to be used as training resources at the local level. For example, in PY 1985 they were used to develop the Greater Nebraska SDA assessment centers at local community colleges. A majority of eight percent program funds are used to fund training slots in curriculum programs in Community Colleges. An Education official believes that these were sufficient resources to meet the responsibilities under the Act, in comparison with other JTPA funding.

The general goals and policies of the eight percent program are determined by the State JTPA Administration. The major priorities are to provide technical training and as many services as possible with the existing funds to eligible applicants. The SDAs approve coordination agreements which delineate services to be provided and also, select, determine eligibility and refer participants to these services.

Dual enrollment between eight percent and SDA Title II-A and Title II-B Summer Youth programs is allowed and in fact constitutes the majority of all eight percent participants. Participants are dual enrolled by the local SDA and outreach, assessment, selection and referral among other services are provided by Title II-A funds. Nebraska JTPA policy is to allow SDAs to make their own decisions in regard to supporting the provision of other educational services as such Adult Basic Education to eight percent participants on a regular basis. The Omaha SDA used eight percent funds to provide basic and remedial education, for example. No priorities of service for certain groups are established.

#### **Ten percent Set-Aside Program**

The ten percent Wagner-Peyser funds are planned and managed in the Department of Labor's Division of Job Services by one full-time-equivalent staff person. The position is budgeted through the agency budget. The State Employment Service determines the general goals and policies of the ten percent program. The major priorities of the program are outreach and marketing to the employer community using Job Service representatives. The rationale was that employer awareness of job service programs and services was found to be very low and a goal of the Division is to have active Job Service Employer Committees (JSECs). The ten percent funds are used in an effort to educate the employer community and to make job service activities available. In addition, service activities such as job clubs and job search skill workshops were planned and provided to unemployed job seekers and client groups. In PY 1986, activities included more emphasis on employer outreach and marketing and less on the job search workshops which were not conducted.

The total allotment for the ten percent program in PY 1985 was \$679,050. The PY 1984 carry-in was \$50,738. Expenditures were \$573,011.41. Of this \$475,335 (70%) was allocated for exemplary models (to staff Job Service representatives, who are also responsible for the JSEC activities, for out-reach and marketing of job service programs and activities and direct calls on employers). The remaining \$203,715 (30%) was allocated for services to groups with special needs.

Some funds in the past program year were used for job search workshops, but during the current program year the plans were to expand staffing in the employer outreach efforts to be more responsive to local employers and to obtain job listings for unemployed clients.

Activities to formally evaluate the effectiveness of this program include quarterly reports to the DOL Commissioner who reports to the Governor. Also, a quarterly progress review is made of all activities in the annual Job Services Plan including the ten percent activities. All Job Service representatives' activities are recorded and constantly reviewed and monitored.

State officials believe that the most successful aspects of the program are that the funding has allowed the agency to become automated, to use video technology, to provide additional services to employers and to market the job service programs. Automation provides terminals on all job interviewer's desks for client and employer information, as well as management programs for the Job Service Agency. All local Job Service offices have equipment and training for video equipment for use with clients and for use in marketing the job service programs with local employers. Job Service Representatives (staff paid with the ten percent funds) are used to expand services to approximately 13 locations, beyond the original six in Omaha, for employer contacts for marketing the local job service programs.

## **STATE POLICYMAKERS**

### ***State Job Training Coordinating Council***

A JTPA official describes the State Council as a strong, well informed policy body. The SDAs take their direction from the Council. Other State agencies take action as a result of Council direction. The Council has had a major influence on the activities and priorities of non-JTPA programs including the Department of Economic Development initiatives to include job training activities as economic development tools, closer coordination with JTPA in the Vocational Education plan, and the recognition by the social services agency of job training as a method to reduce dependence on welfare programs.

Membership of the Council includes many state officials described as the "principal players" in job training, client services, job creation and education/job training. State Council members include, the Directors of the Departments of Aging, Agriculture, Corrections, Chairman of the State Parole Board and the State Director of the AFL-CIO.

The private sector members have a general feeling that there is too much bureaucracy and paper work in government programs. They are particularly concerned with the review of the requirements and necessary systems.

The State agency representatives primarily are interested in issues which concern target populations or services related to their mission. For example the level of JTPA service for older individuals and social service recipients, and evaluation and re-computation of standards. A Coordination Committee composed of State Agency Heads and PIC Chairs exists to develop and oversee coordination efforts.

Each of the three SDA's PIC chairs serve on the Council. This local involvement, along with scheduling SDA reports at each meeting create a climate for good state/local relations and well understood and accepted policy decisions. The local Council members, actively representing the views of the SDAs/PICs, exert a major influence on Council decisions. Examples include their influence on the adjustment of the average wage rate performance standard and on setting target group standards.

The Council works primarily through committees and in general session. The committees include Goals and Allocations, Evaluation and Marketing (includes work on the Annual report and marketing with an emphasis at the SDA level), Plan Review, Coordination and the Executive Committee. Committees meet as needed. The full Council meets at least three times per year. Roughly 75 percent of all members attend meetings with 70 percent of the private sector members attending and 75 percent of the public members attending. Alternates or proxies are not allowed to vote on Council business.

The Council, in conjunction with the JTPA administration, determines the administrative policies for the six percent, eight percent, three percent, Title III and Section 121 activity funds, but only reviews the use of the ten percent funds in the Job Service planning process. The council's major goals are to set the direction and to oversee the operation of the programs and projects that use JTPA funds provided to the Governor.

In the policy development process, the Council primarily discusses and acts on recommendations provided by the State JTPA Administration staff. The Governor's views regarding JTPA issues are communicated regularly to the Council. The types of issues include the establishment of the JTPA (DOL) liaison position with the Department of Economic Development, use of JTPA funds to improve the State's economy and local PIC control as the best way to deliver programs.

An example of major policy work of the Council was the State de-obligation/re-allocation policy of all JTPA funds. This policy has worked well and has been well received by the SDA and set-aside contractors. Other successful decisions of the Council include:

- o the designation of SDAs because this helped establish a smooth transition with SDAs which had experience as CETA prime sponsors;
- o identification of JTPA target groups because this focused attention on services to the hardest to serve;
- o addressing coordination issues because this increased awareness of other activities at the local level and also major department directors serve on the Council; and
- o allocation of JTPA Title III funds to SDAs because this established good coordination with other JTPA funds and high expenditure rates were achieved.

The Council Administrator is the Job Training Program Director. The State DOL Job Training Program Coordinators in the State JTPA administration office provide the primary staff support to the Council. Because of inadequate resources, there is no separate staff assigned to the Council nor is there a specific budget allocated for Council activities. Funds are provided entirely from the State's JTPA five percent allocation. As a result, there is competition between Council priorities and other priorities of JTPA management. A JTPA official indicated that with more resources, coordination with other agencies' could be improved, particularly with Vocational Education. In addition, more extensive review of other agency plans and programs could be conducted.



## ***State Legislature***

The State Legislature has passed legislation, Bill #851, which authorizes the Nebraska DOL to administer JTPA at the State level and for the Commissioner of Labor to be the administrator of JTPA within the State. No State funds are appropriated specifically to supplement or complement JTPA activities. The legislature is involved in providing oversight of JTPA activities only in the sense that the Job Training Plans are sent to the Legislature for review. These activities appear to have little to no effect on the administration of JTPA within the State.

## **STATE MANAGEMENT PRACTICES**

### ***Policy and Planning***

The Governor's views concerning such issues as Council membership, designation of SDAs and re-allocation of funds from grants and contracts are regularly communicated to the JTPA administration.

The Goals Statement, which is considered to be mostly JTPA related, and the Governor's Coordination and Special Services Plan (GCSSP) are reviewed and updated annually. Both are developed by soliciting outside views of interested agency and organizational representatives. Most concerns raised at the meeting are incorporated into the GCSSP. Achievement of the goals is determined by review of the coordination plans and efforts, as well as an annual review of the GCSSP during the program year.

The State JTPA administration has a formal rule-making process for developing and promulgating administrative policies. It is a Service Delivery Issuance system which normally follows some discussion with the three SDAs. There is no formal comment period. The process takes a total time of approximately three days including administrative and clerical time. Affected parties are consulted prior to policy implementation. The sources of administrative policies are U.S. DOL, the State JTPA administration and the SDAs which bring forward questions and problem areas with the policy direction.

### ***Coordination***

Specific inter-agency relationships vary substantially. The eight percent funds are administered by the Division of Vocational Education in the Education Department, and local joint planning and operation is conducted with dual enrollments allowed between the title II-A basic (78%) and the eight percent programs.

Social Service representatives are also involved in the GCSSP input meetings. At the local level, cooperative agreements are required. Welfare clients are an established target group with incentive funds available to SDAs for reaching the group.

Activities to increase collaboration and coordination between JTPA and the economic development agency include a liaison position between the DOL and the Department of Economic Development for coordination of resources and programs. The liaison works as a coordinator with SDAs and business/industry at the local level. The Director of the Department of Economic Development serves on the State Council and representatives are involved in the GCSSP input meetings.

Activities to increase collaboration and coordination between JTPA and ES are handled through the State JTPA administration which is organized under a Deputy Commissioner in the DOL and has the responsibility of coordination with all divisions, including the Job Service. The Labor Commissioner serves on the State Council and the ES staff are active in the GCSSP input meetings. A Coordination Committee composed of State Agency Heads and PIC Chairs exists to develop and oversee coordination efforts.

The coordination policies adopted by the Council that have been the most successful, according to a JTPA official, are establishing the requirement for written coordination agreements, the annual GCSSP input process and the JTPA liaison position with the Department of Economic Development.

## **STATE QUALITY ASSURANCE FUNCTIONS**

### **Performance Standards**

Policies regarding performance standards development, incentives, sanctions and remedial technical assistance have been developed primarily by the State JTPA Administration with input from the SDAs and PICs. The State JTPA office (the two program coordinators) administers performance standards with Council approval. In administering performance standards there are no areas of particular difficulty or concern. The State has not conducted any broader evaluations of SDA activities.

In PY 1985, the total six percent allotment was \$416,215 of which \$145,675 was used for performance standards incentives, \$62,432 was used for services for the hard-to-serve, and \$208,108 was allocated for technical assistance. In PY 1986, the allotment was \$354,124, of which \$123,943 was for performance standards incentives, \$53,119 for services for the hard-to-serve, and \$177,062 was for technical assistance. Awards in the category of hard-to-serve are based on the degree to which the SDA exceeded or failed to exceed the standards established for the eight identified target groups. In awarding six percent incentive funds to SDAs, each one of the seven federal standards and each state standard (for eight target groups in PY 1985 and 1986) is treated separately. Incentives are provided to SDAs who do not meet all standards.

Remedial technical assistance is provided to SDAs which fail to meet performance standards. The SDAs are allocated technical assistance funds based on failures in each standard and must submit a corrective action plan to receive the funds. The State does have a policy on sanctions beyond that outlined in the Job Training Partnership Act. Failure to meet the standard two years in a row calls for a reorganization plan.

No measurable goals have been established for the eight percent program. There are performance standards and other measurable goals including enrollment and spending goals established in the PY 1985 plan for the three percent participant service activities. The performance standards and goals were determined based on prior performance. If the goals or standards are not met, a correction action plan is required. There are no financial incentives for those who meet or exceed the goals/standards.

### **Management Information Systems**

Nebraska has a centralized automated (using batch mode at the State JTPA Administrative Office), management information system for the reporting of information on SDA activities. Monthly SDA management reports are provided to each area. Special reports are available on request. The system includes financial as well as participant information, the financial totals are entered to calculate cost standards. More information is received than is required on the federal Annual Status Report, including occupational codes, additional client characteristics and program activities.

The centralized automated JTPA management information system is also used as a participant reporting system for the eight percent and the three percent programs. The eight percent participants can be identified through special reports. No general evaluations of the eight percent or three percent programs have been sponsored or conducted other than the review and analysis of MIS data.

No JTPA five percent or six percent funds are used to support LMI activities and JTPA does not provide or arrange for training of SDA staff in the development and use of Labor Market Information.

### **Compliance and Fiscal Controls**

On-site monitoring for compliance with the Act and regulations other than financial compliance is conducted twice per year. The major areas monitored include PICs, Title II-A and III eligibility, the Title II-B, three percent and eight percent programs, monitoring systems and self evaluation, equal employment opportunity, procurement, and property management. In-house review is of the non-criminal complaint/grievance procedure, the State Council, Job Training Plans and target groups, administrative structure, MIS and program performance. A compliance guide is available to the SDAs including schedules, instruments, areas among other items. Corrective action plans are required for approval, then the State follows-up on the plan to document the accomplishment of the specific items of the plan.

SDAs are monitored for financial compliance yearly with follow-up visits. Members of the State JTPA Administration monitoring unit conduct the monitoring. There is a financial management handbook or audit guide for the SDAs. If corrective action is needed, the SDA is required to submit a corrective action plan for approval by the State JTPA Administration. A follow-up visit is conducted. On-site technical assistance in financial management is provided but only when errors are found. Training is provided to local financial management staff only when changes in procedures occur.

The State JTPA administration's monitoring unit monitors eight percent set-aside and three percent set-aside financial activities twice per year at the local or operational level (on-site). A Financial Management Guide is used. If necessary, corrective action plans are required as it is with the Title II-A programs. The follow-up steps taken to correct problems must be documented. Corrective action is reviewed on a follow-up monitoring visit.

Audits are required every two years, following S. Office of Management Budget (OMB) Circular A-102 (Single Audit). The State Auditor conducts the audits including those for the eight percent and the three percent programs. Audit costs are paid for with five percent funds. Audit resolution procedures are included in information titled "Limitations on Certain Costs" in a "Audit Resolution/Debt Collection Procedures" section. Audit exceptions for the eight percent and the three percent program are resolved by the State JTPA Administration Section.

The total State allotment of the title II-A basic (78%) funds for PY 1985 was \$5,410,793 and expenditures were \$5,246,851. The title II-A basic (78%) funds are allocated to the SDAs by the use of statistical data which is collected from the LMI Division. The Council is presented options of using relative data from SDAs or Local Areas Unemployment Statistics (LAUS) and recommends a method to the JTPA Administration. The JTPA Administration allocates the funds.

There is a JTPA re-allocation policy in place for unspent funds, which was approved by the Council. The policy specifies that all unexpended funds over ten percent of the total available funds at the end of the grant or contract year are reserved by the State for redistribution. It applies to all JTPA grants and contracts. No steps other than monthly management reporting have been taken to increase expenditures.

### ***Training and Technical Assistance***

Technical assistance, other than formal in-service or pre-service training, is provided by state staff through periodic meetings and conferences which are held mostly to clarify administrative positions or when written and verbal interpretation is needed. There is no specialized or specifically funded staff to provide technical assistance to SDAs. No formal training is provided to the SDAs.

The most common substantive areas covered include state and federal policy information, MIS, planning assistance, performance standards, and monitoring assistance. These areas were selected by State staff and at the request of the SDAs. JTPA Administrative staff, funded by five percent dollars provide training and instruction and technical assistance as needed to eight percent and three percent staff and in many cases is provided in conjunction with the SDAs and other contractors. There is no in-service or pre-service training for the new staff of eight percent or three percent contractors.

### ***Communication***

There is a good relationship between the State and local level representatives. PIC Chairs serve on the Council which helps accomplish cooperation from the start of the policy development process. The opinions of SDAs are solicited on a regular basis through routine, almost daily, discussions rather than by a formal process. Because SDA Directors report at each Council meeting, there are no other regular meetings.

The SDAs have not expressed dissatisfaction with this level and type of communication from the State level. The SDA/PICs have no formal organization since there are only three SDAs and one is in the Nebraska Department of Labor. There are regular meetings with other SDA staff to provide training or other information as needed. The State staff visits the SDAs for technical assistance on an as needed basis. Information Memos are issued weekly and the Service Delivery Issuances are issued as needed.

According to conversations with an SDA official, the SDAs generally feel that there is good communications between the State and SDAs and that there was a feeling of a professional relationship between the state staff and those at the local level. In addition, the SDA official stated that there is input into the state policy making process and there is good representation on the State Council. Concerning the decisions and administration of the set-aside funds no objections or problem areas were cited by the SDA official. Relative to the de-obligation/re-obligation policy the SDA official stated that the SDAs were supportive and that the policy was working well. The official stated that in 1986 the Greater Lincoln and the Greater Omaha SDAs were considering shifting funds in an effort to fully use available funds and serve clients in need of services.



## INTRODUCTION

### *Socio-Economic Characteristics*

Idaho is sparsely populated and consists of 44 counties which are divided into six planning regions. There is only one metropolitan statistical area (MSA), the Boise City MSA, an entire county, which has the largest population of any county in the state.

Idaho's population is estimated to be slightly more than one million persons (1,035,278) by 1987, representing only a 9.7 percent growth rate since 1980, compared to the 32.5 percent increase in Idaho's population between 1970 and 1980. Initial estimates for 1985 indicate that net out-migration was a record 5,750 persons, many of whom were working and college aged residents.

Ninety-four percent of the population is white and non-Hispanic. The significant racial/ethnic groups are Hispanics (4%) and Native American (1%). The population is 51.2 percent female. Ten percent of the population is under 5 years of age, 22 percent is between 5 and 17 years, 57 percent is between 18 and 64 years and 11 percent is 65 years or older.

The economically disadvantaged persons represent an estimated 19.4 percent of the population age 16 and older. The economically disadvantaged population is 52 percent female, 87 percent white, and 9 percent Hispanic. Twenty three percent of the disadvantaged population is age 16 to 21, 50 percent are age 22 to 54 and 26.9 percent are age 55 and older. The percent of the disadvantaged population on welfare for adults age 22 and older is approximately 5 percent and for youth age 16 to 21 it is 5.4 percent. Twenty seven percent of the disadvantaged youth (age 16 to 21) and 26 percent of the disadvantaged adults (age 22 and older) are dropouts.

Per capita income, in 1983, was \$9,534. In 1985, real per capita personal income was \$4,580 in 1972 dollars. Farm proprietors' income was projected to decline in 1986 and 1987. Although this is due in part to lower cash receipts, part of the decline in 1987 is attributable to falling inventory values.

The civilian labor force constitutes over 40 percent of the state's population and the unemployment rate in 1985 has been in the 6.6 to 6.0 range. Seasonality is a significant factor in Idaho's employment because the economy is largely natural resource and agriculturally based. However, manufacturing has recently become of economic importance. The statewide labor force is projected to be 453,390 in 1987. This is a 4.9 percent increase from the 1980 labor force of 432,033.

The unemployment rate for 1987 is projected to be 6.2 percent, slightly lower than the 1985 annual average of 6.4 percent. The total number of unemployed in Idaho in 1980 was 28,283. The projection for 1987 is 28,236, a 0.2 percent decrease.

Slow growth is likely for most of the Idaho economy. International competition in agriculture, timber and metals markets is pressuring local producers in the state's basic industries of agriculture and mining. Idaho's economy as of 1986/87 had not yet recovered from the 1982 recession. Because of its size and the precarious financial position of many operators, the farm sector may determine the basic direction of the state economy over the next three years.



While some SDAs have experienced more difficult economic conditions, their service deliverers have been able to maintain good performance levels. There does not appear to be a direct relationship between SDA unemployment and economically disadvantaged levels with overall performance nor between annual average area wage and wage at placement standards.

### ***State JTPA Profile Summary***

PY 1985 Title II-A Allocation	\$7,640,428
PY 1985 5% Allocation	\$ 382,021
Number of SDAs	6
Number of Individuals Terminated (PY 1985)	4,090

## **JTPA ADMINISTRATIVE CONFIGURATION**

### ***State JTPA Configuration***

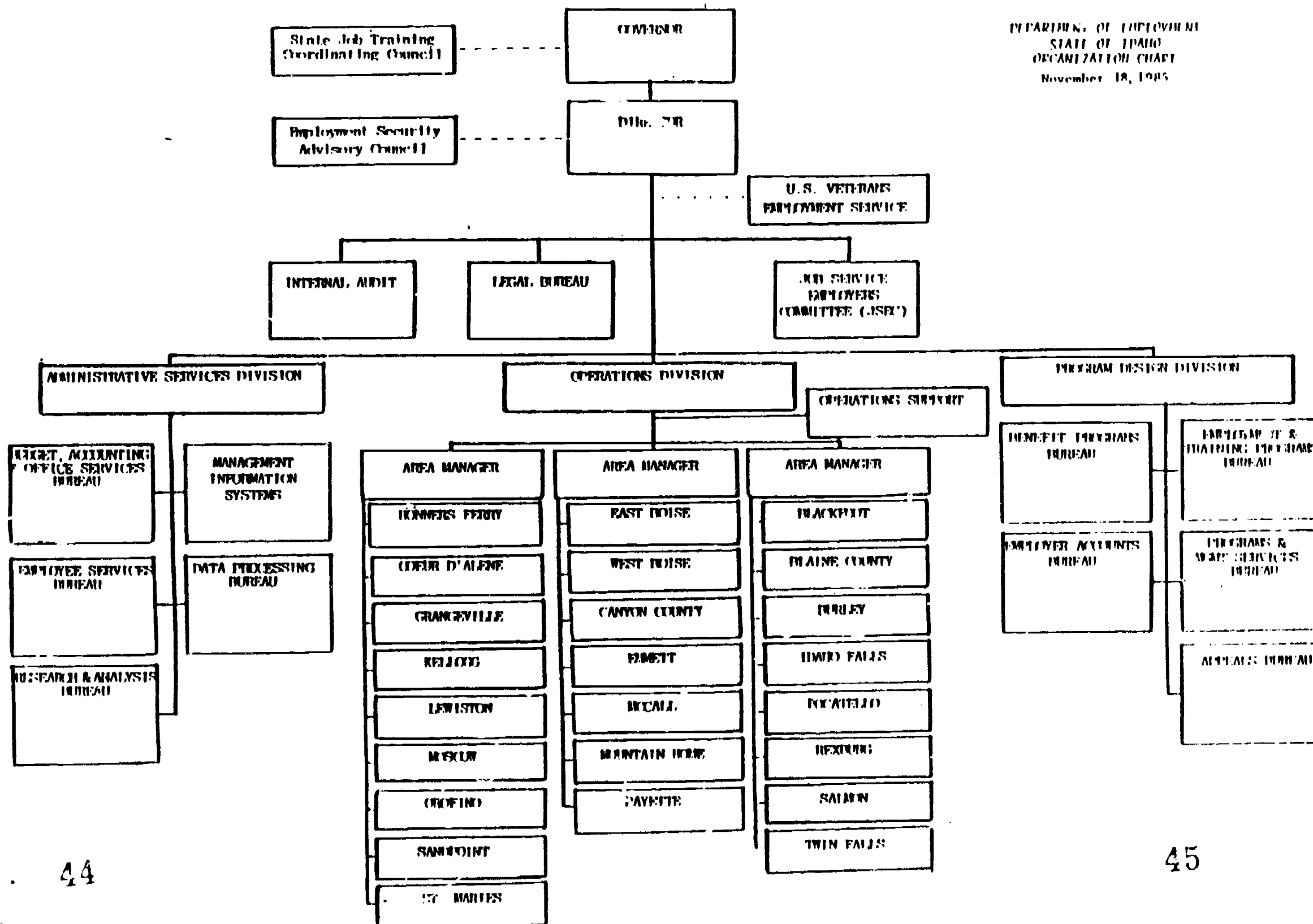
As of PY 1985 the state is divided into six Service Delivery Areas for JTPA with each SDA being a Council of Governments/Economic Development District. Unlike in other states, SDA responsibilities are divided up between the state and the local entities. The SDAs selected the State Department of Employment as the JTPA Administrative unit and grant recipient for all of the SDAs. The Department of Employment writes and manages the contracts, maintains the participant and financial information reporting systems, disburses funds and monitors the programs. Responsibilities at the local level include support of local Private Industry Councils, planning, program design, selection of service providers, procurement, and oversight of the programs/projects. (See organizational chart)

This split arrangement was chosen for two purposes: to make efficient use of limited dollars and to ensure limited liability at the local SDA level while maintaining control of program/project design. It is believed that housing state and SDA administration functions within the same Department yields greater opportunity for cost savings and coordination efforts. The Director of the Department reports directly to the Governor. This organizational arrangement was chosen because the Department of Employment had been the administrative agency for the Statewide CETA Prime Sponsor and had demonstrated the capacity to perform these functions with limited resources.

According to a JTPA official, the most successful aspects of the State's management of JTPA is that the structure of the system provides both a decentralized SDA policy decision making process with the efficiencies of a centralized administrative system.

As a result of close cooperation between JTPA and the Employment Service, the programs have been successful in providing both job training and job placement. In addition, although both the eight and three percent set-asides are administered on a subgrant basis by state agencies, many of these grants mesh with the Title II-A programs or other training programs at the local level. Only a few projects, primarily projects directed at criminal justice offenders, are "stand alone" activities.

DEPARTMENT OF EMPLOYMENT  
STATE OF IDAHO  
ORGANIZATION CHART  
November 18, 1985



The state also feels that it has been able to promote lots of dialogue with SDAs on both administrative and policy issues. Six percent funds have been used for preventative technical assistance activities including the formation of a PIC Association. These funds also make it possible for PIC members to attend national meetings and have a better understanding of programs.

The Department is responsible for the employment service, unemployment insurance programs, work programs for welfare recipients, Title III programs for dislocated workers and other activities. The JTPA administration and Employment Service (ES) operate under the Director of the Department of Employment in a functional organization. The functions and roles of JTPA administration within the Department are split in different sections and are also integrated with other Departmental functions and tasks.

Within the Department, the Operations Division staff are charged with service delivery for all programs operated by the Department while Program Design Division staff are responsible for all planning, monitoring, coordination in the design and development of individual programs, such as UI, ES, WIN and JTPA.

The Employment and Training Programs Bureau located in the Program Design Division is responsible for JTPA and SDA administration and for State Council support. A grants management section, within the Bureau, is responsible for SDA administration (contracting, contract management, financial management, MIS, compliance monitoring, etc.) and for ES and WIN grant management.

The JTPA administrative entity, in the Program and Management Services Bureau, in the Program Design Division, is responsible for the Governor's Coordination and Special Services Plan and provides staff support to the State Job Training Coordinating Council, (the contracting process, contract management, MIS, participant and financial information, reporting, financial management and program monitoring) and the set-aside program management. A Planning and Monitoring Section within the Bureau also has responsibility for Job Service planning, the ten percent Wagner-Peyser planning and state level JTPA monitoring.

The separation of policy and planning staff from SDA administrative staff is intended to avoid conflict of interest and role confusion. However, in conducting this study, we were made aware that SDA's often have difficulty distinguishing between the different roles played by the different state administrative units. An SDA official while expressing no immediate concern with the SDA administration role at the State Department of Employment, did state that he would like to see the Administrative Services function handled through an RFP process like all other activities, to see who else could perform the services and if they would cost less than the 7.5 percent administrative dollars going back to the Department of Employment.

The JTPA five percent funds are used by the Department of Employment for Council support and administration of state level activities of the program. A total of 4 full-time-equivalent (FTE) staff overall are available to perform all five percent administrative activities. Approximately one-third of the available five percent funds are used for a subcontract with the Governor's office for liaison and Section 121 activities. Section 121 activities include coordination of state agencies, assessment of state programs and interviews of key people in the system. The state staff feel that the five percent allocation is inadequate to manage the state level activities, support the Council

and do research and provide technical assistance and other activities. Activities that receive less attention than believed appropriate are the Section 121 activities, statewide marketing and public relations, long-range planning and inter-agency policy development.

The state uses cost pooling for all administrative funds in the Department including the three percent and eight percent programs. Some sharing of staff occurs between Departmental units performing State and SDA functions.

### ***Set-Aside Program Management***

#### ***Three Percent Set-Aside Program***

The three percent funds are contracted to, and managed by, the Idaho Office on Aging. This is an independent agency located in and reporting to the Governor's Office. The Office on Aging is responsible for the Older Americans Act, Title V, the meals programs, client transportation, information referral, in-home services and ombudsman and advocacy activities. The key staff (1.1 to 1.5 full-time-equivalent) sharing both three percent and eight percent funding have fairly extensive CETA/JTPA backgrounds. This organizational arrangement was chosen with the support of the State Council and the Governor because the delivery network was in place, the office had experience with older individual and older worker programs, the Office of Aging staff had some CETA experience.

The total three percent PY 1985 allotment of \$314,417 had an administrative budget of \$42,327 of which \$20,000 goes to the local network. Administrative funds for the three percent program come entirely from JTPA. Total expenditures in PY 1985 were \$220,200.

The three percent funding is allocated by formula to the local Offices on Aging in the six SDA geographical areas and contracted with the local Area Agencies on Aging. Two of the six local Area Offices on Aging are the same agency as the SDA, a Council of Governments, two are community action agencies, one is a higher education agency and one is a community-based organization. The formula used is a modified Title II-A formula, with a hold-harmless provision. The three percent plan of the Area Office on Aging is reviewed by the SDAs.

There is no JTPA reallocation policy for unspent three percent funds. The Office on Aging however has a policy that funds can be reallocated among the six area divisions. There are in-kind resources available to support older worker activities.

The JTPA three percent program is operated with other aging or senior citizen programs. There is great attention directed toward use of other available resources to jointly fund efforts and to refer clients to services that meet their needs. Program emphasis is placed on blending the limited three percent funds with other activities and on referring clients to other skills training projects, OJT and directly to jobs. In many cases, the participants are transfers or dual enrollees with the local basic Title II-A (78%) activities. Dual enrollment of this type and inter-title transfers to JTPA Title II-A, which, for example, may provide indirect placements for three percent program operators are encouraged. Provision of such education services as adult basic education or vocational education is arranged through coordination agreements between the SDA and the education agency with adult basic education funds required.

The rationale for this focus is that due to the limited resources the delivery network must emphasize coordination with other programs and activities and linkages with JTPA



II-A activities. Also the rationale is based on the program concept of individual and groups of participants in job search activities receiving supportive services and sometimes placement support from other programs. In addition, the ability of the delivery system to provide orientation to client groups and its capacity to focus on the older worker issues and concerns is another basis of the rationale. Minority older workers have been identified for priority service.

There are measurable goals for the three percent participant services activities. These were determined through staff input from both the Department of Employment and the Office of Aging based on previous job training experience. These include a 60 percent Entered Employment goal and \$2,000 per Entered Employment goal. If corrective action is needed, technical assistance is provided for the identified problem areas at the project level. There are no financial incentives for those who do meet or exceed the goals/standards.

Activities to insure that funds are spent in a timely manner include on-site financial and program monitoring conducted once a year, and monthly desk monitoring of activities and review of monthly activity, performance and narrative reports from the six Area Offices on Aging.

A single audit is required yearly. Audit resolution is based on the Office of Aging process. If corrective action is necessary, a corrective action plan is developed by the State and local area Offices on Aging. The plan is filed with the State JTPA office.

Technical assistance is provided by networking the experienced operators to train new operators and staff. Day to day technical assistance is provided as questions and issues come forward. Also, training sessions and seminars are provided. A variety of training is provided including start-up training, orientation, quarterly in-service programs, updates, training on rules, regulations, forms and assistance in coordination with other agencies. A variety of funds are used to provide the training, such as Older Americans Act II-B and IV. In 1985, \$54,962 of Office of Aging funds were used for training in the JTPA three percent program.

The three percent program uses the state centralized automated MIS, which is compatible with the SDA basic title II-A (78%) program system, for participant reporting. No formal evaluations have been conducted. However, there has been an informal review of program outcomes, follow-up, and quality of placements. Currently both the short and long term impacts of OJT and classroom training are under review.

According to an Office of Aging official the most successful aspects of the Older Worker Set-Aside program are the coordination at both the state and local levels with the Aging programs, the flexibility provided for service delivery at both the state and local levels because there are no performance standards, the experience of the Office of Aging, the linkage with Title V and the local network of the Office of Aging, and the fact that JTPA brings more services to the population being served and adds to current program efforts.

### **Eight Percent Set-Aside**

Both the participant services and coordination portions of the Eight Percent Set-Aside are managed by the State Division of Vocational Education in the Department of Education. Separate staff (2 full-time-equivalent) are assigned to the eight percent program. Again, the administrative arrangement was chosen for historical reasons. The seven percent CETA Governor's grant was managed by the Division of Vocational Education and the relationship was excellent. The Council and the Governor were encouraged by the Department of Employment to keep the same arrangement.



The total PY 1986 eight percent set-aside allotment was \$737,251 of which \$130,232 was for coordination activities and \$518,958 was for participant services. The total budget for the state eight percent administrative activities was \$88,134. Matching funds for the eight percent set-aside are provided from the sub-recipient level through in-kind contributions. There is no policy for reallocation of unspent funds. In PY 1985, out of a total allotment of \$838,229, \$708,338 was spent.

Programs and projects are funded based upon proposals received in response to "RFPs." All SDAs/PICs are provided copies of all proposals for their review and comment and those selected are required to reach coordination agreements with the SDAs. In addition PICs and SDAs are involved in coordinating Eight Percent and Perkins Act plans.

JTPA state administrative staff monitor the Division of Vocational Education. In turn, the eight percent sub-recipients and contractors are monitored by the Division of Vocational Education staff. Monitoring includes desk review of month-to-month activities and cost reimbursements. On-site monitoring is also conducted. Corrective action is taken depending on the problem. Technical assistance (on-site and by telephone) is provided as needed to get the contractor up to standards.

A single audit is required. It is conducted by the Division of Vocational Education. Audit resolutions are arrived at through the Vocational Education resolution process.

A new program will provide inservice/preservice training for staff of eight percent contractors. Usually this type of training is combined with PIC or other funding source agency efforts.

The Department of Employment centralized automated system is used as a participant reporting system. It is therefore compatible with the system required of the SDAs. There is no general evaluation conducted of eight percent programs. Plans are reviewed on an annual basis and presented to the Council.

Emphasis for eight percent projects is reaching those "hard-to-serve" populations which are not targeted or served by the SDAs, such as offenders and handicapped individuals. Three-quarters of the funds were used to provide programs that meet state-wide needs not otherwise met at the SDA level. The remaining 25 percent of the funds was used to provide occupational skills training at public postsecondary vocational institutions, Adult Basic Education, English as a Second Language Training and projects for deaf and blind participants. Very little activity is with the secondary schools, although an employability skills curricula has been developed by the Division of Vocational Education with eight percent funding which may be used in the future with secondary populations.

The typical providers of eight percent participant services are the Idaho Career Information System, Department of Corrections (Institutional Project and Probation and Parole), Youth Services Center, North Idaho Children's Home, and the Consortium of Area Vocational Education Schools.

There are no measurable goals for the participant services activities however, there are sub-recipient and contractor goals that are determined by the RFP and are contained in the contract document. If there is a 15 percent deviation from planned levels of service and expenditures, corrective action is taken. Also, performance failure would impact the following year's contract. There are no financial incentives for those who meet or exceed the goals.

The 20 percent coordination funds are used to support state staff at the Division of Vocational Education, and at the SOICC, and to develop a curricula of job seeking skills for use in secondary and postsecondary schools. There are no measurable goals for the 20 percent activities.

Dual enrollment is allowed but not encouraged because the funds are not allocated on an SDA district basis.

According to an Education official, the most successful aspects of the Education Set-Aside program are the coordination efforts of the eight percent vocational education staff, providing services to the "hard-to-serve" population groups, serving youth and adults, offenders (1000 participants have been served at four sites) and the disabled, assisting the SOICC and its information flow. These efforts have been successful because of the joint use of WIN, Perkins and JTPA funds in projects. A job seeking skills curricula guide has been developed for secondary schools for example.

### **Ten Percent Set Aside Program**

The Wagner-Peyser ten percent set-aside funds are administered by the Department of Employment's Operation Division together with all other regular job service funds. Staff time in full-time-equivalents is estimated to be 1.08 with expenditures of \$40,000.

The Governor elected to use the ten percent funds (\$670,000) for staffing local job service offices. Services are targeted to special applicant groups or are used for development of Resource Centers. Priorities are based on groups and/or activities identified at the local level in the JTPA and ES planning processes. Services to be provided are decided in accordance with local plans and agreements on goals developed between the local ES office and the respective SDA. The State JTPA administration initiated a Task Force including the SESA to set policies with recommendations forwarded to the State Council. There has been no formal evaluation of ten percent activities.

According to a Department of Employment official, the most successful aspects of the ten percent program have been the joint development of plans which provides local area input in addressing needs, the local office flexibility to address needs other than those mandated or supported on a cost-reimbursement basis. It allows a local forum on all ES activities and accomplishments.

Evidence that supports these successes includes the fact that no plans have been disputed and each SDA has targeted different groups or activities. The JSEC has been included in planning the ten percent strategies. The ES offices are responsive to local needs, for example, in the Southeast SDA, ten percent funds contribute to funding a part-time staff person who is stationed in a remote area to help targeted dislocated workers and farmers in placement activities and services. Also SDA officials and PIC members have more opportunity to view the total ES activities and how the ten percent funds are used in conjunction with the base funding.

According to a Department of Employment official there are no major problems. However, the official believes that problems could arise given the nature of Idaho's rural area; the small offices and the additional decrease in ES funds that would adversely affect the basic labor exchange activities. Idaho's ten percent allocation amount also limits what can be done.

## **STATE POLICYMAKERS**

### ***State Job Training Coordinating Council***

The Council has had influence on the JTPA program. According to a JTPA official, the most successful work of the Council includes: the structure of the JTPA planning and delivery system; preventative technical assistance, coordination with the Employment Service and vocational education, and the JTPA Title III and eight percent program/project procurement process. Indicators of the success of these actions are that most of the SDAs are meeting all performance standards for the first time, and the program appears to be better coordinated and even integrated at the local level.

In the Council's policy deliberations, members primarily discuss and act on recommendations provided by the state JTPA administrative staff. The GCSSP is reviewed and updated annually with outside views solicited. The views of the SDAs and the Association of PICS are solicited throughout the process. The Council has final review. Views are adopted as part of the plan, for example, the use of the six percent funding and allocation of funds sections have incorporated outside views. Goals are described for state programs and progress toward meeting these goals is monitored through a regular desk monitoring process and the filing of an annual report.

The Council determines the organization, allocation and other administrative policies for the six percent, eight percent, three percent funds, Title III and Section 121 activities, but not for the ten percent Wagner-Peyser Set-Aside funds where the Council recommended a decentralized planning process and allocation based on local needs. The Council does some monitoring of the SDAs and set-aside programs primarily through the periodic progress reports received and by reviewing annual performance.

The Council has funded an evaluation of activities and coordination efforts throughout the state to determine the overall health of the system, the strength of coordination efforts, the satisfaction of those involved and to identify unmet needs. The Council has not sponsored evaluations of the three percent, eight percent or ten percent set-aside programs.

The Council budget, provided entirely out of five percent funds, was \$70,000 which includes \$30,000 for Council travel and \$40,000 for staff support. No in-kind resources are used for Council support. Because of limited resources there is no independent staff to the council. Staff support is provided by the JTPA administrative office in the two bureaus in the Program Design Division of the Department of Employment. There is a separately identifiable Council staff within the JTPA administrative office (1 FTE is assigned to the Council). This organizational arrangement was again chosen for historical reasons. Under CETA, the Council was strong and the experience was good for not only the Council but also for the statewide PIC under CETA Title VII. Council staff were supported by the Department of Employment.

Under JTPA it has been recognized that the lack of independent staff has limited the ability of the Council to pursue some Council priorities. The Council's influence on non-JTPA activities has been limited to public relations, letting agencies such as the Department of Agriculture know about employment and training programs within the state and increasing the understanding of the funding and programs of the Perkins Act at various administrative levels.

The Council reports directly to the Governor through the senior JTPA official who sits on the Council. The Council members believe their job is to advise the Governor on policy and coordination matters, merge the regional interests into a statewide policy, plan and review the use of resources and provide general oversight of programs and the State Department of Employment.



Membership on the Council includes private sector representatives from each of the local PICs and members of the State Legislature. The individual legislators are active on the Council and have had an impact in equity of services, on the Title III program and with the displaced homemakers population. The PY 1986 Chairman was a retired businessman who has open access to the Governor's office. Local representatives, often representing the views of the SDA/PIC from their area, also exert an influence on Council decisions. Areas where local members have had influence include allocation/reallocation of funds, the incentive/sanction policy and on the plan/modification review process. State agency representatives are interested primarily in issues relating to their own agency, particularly with services to their constituency but also in other issues such as coordination with other agencies.

Most of the Council work is conducted through three committees: the Policy and Planning; Coordination; and Program Performance committees. These Committees meet four times per year as does the full Council. Although attendance by all sectors is good, alternative or proxy members are allowed to vote.

### *State Legislature*

The State Legislature has not passed legislation specific to JTPA and has not appropriated any state funds to directly complement JTPA activities. However, each year the federal JTPA funds for Idaho are included in the State budget, as a pass-through in order to establish spending authority for the State. The legislature is involved in providing oversight of JTPA, primarily through the four legislators that serve on the Council. The most noticeable effects from this activity are heightened awareness by the State Council members of state issues and concerns beyond JTPA.

In addition, each SDA sends a copy of the SDA Job Training Plan to the Legislative Council staff. The PIC Association provides information to the Legislature and SDAs provide information to local legislators. The Legislative Auditor serves as the primary auditor for purposes of the JTPA programs.

## **STATE MANAGEMENT PRACTICES**

### *Policy and Planning*

The Office of the Governor takes a leading role in the coordination of JTPA activities with related programs and in focusing employment and training resources on special needs such as the dislocated worker. A special assistant to the governor is assigned these tasks on a full-time basis. The Governor works closely in statewide policy matters and communicates regularly his views on JTPA issues and Council business with the Department and the Council Chair. In addition, all Council minutes and recommendations go to the Governor's office for signature.

The state does have a formal and informal rule-making process for developing and promulgating administrative policies. The informal process includes transmitting proposed rules to SDA/PICs and the Idaho Association of PICs for discussion prior to presentation to the SJTCC. The SJTCC meets to consider all rule revisions prior to the APA procedure which includes publication and 90 days notice with an opportunity for a

hearing. The process usually takes 90-120 days except in emergencies. Other means used to develop and implement administrative policies include SDA Memos, and SJTCC directives for example. For the most part, SDA views are solicited and their participation is actively encouraged. The sources of administrative policies are U.S. DOL, the State JTPA office, Office of Aging, Division of Vocational Education, the State Council, SDAs, the Governor's office and the Idaho Association of PICs.

### ***Coordination***

Excellent cooperation exists at the state and local levels with postsecondary education institutions. State Vocational Education staff and the state JTPA administrative entity staff work closely together and many joint projects have been developed. Through coordination efforts of the Vocational Education staff, many eight percent, Perkins Act and JTPA Title II-A funds have been combined to fund workable projects. Vocational Education representatives are on the SJTCC and the SJTCC Chair is on the State Advisory Council for Vocational Education. The State employment services office and vocational education have a joint venture for JTPA Title III. To increase collaboration, coordination agreements are required, joint proposals are funded in many SDAs with Vocational Education/Department of Employment as a major provider and coordinated programs are conducted with multiple JTPA/Vocational Education fund sources.

Limited success has been achieved in coordination efforts with the secondary education system due to funding constraints on both sides. Staff of both agencies have demonstrated a willingness to work together; however most education initiatives on the secondary level require local effort. State staff encourage SDAs to work with schools in establishing youth competencies. To increase collaboration cooperative agreements are required; however, performance based contracting may impose barriers to greater participation.

Cooperation with the welfare unit has been fostered at the state and local levels through requirements for coordination and a history of joint programming through WIN and CWEP welfare programs. The SJTCC regularly reviews welfare training programs and makes recommendations for activities. A local history of cooperation is also fostered through continued coordination with JTPA. Welfare representatives are on the SJTCC. As a means to increase collaboration, coordination agreements are required.

Coordination with the Idaho Economic Development Agency has been difficult. The reason is primarily a combined shortage of resources. A joint meeting of the SJTCC and the Economic Development Agency is planned for December or January, with the SDA/PIC organization. Also the state has supported the co-location of JTPA/PIC staff with local economic advisory council staff through the Council of Governments/Economic Development Agency system and coordination agreements are required.

JTPA has enjoyed excellent cooperation with the Employment Service as a result of co-location of Administrative staff at the state level and the shared management of JTPA/ES programs at the local level. A decentralized planning system is in place to encourage greater coordination in the strategic planning process.

Cooperative arrangements also exist between the State Division of Vocational Rehabilitation and the Office on Aging to coordinate services with these groups. Local agreements have been required between participating agencies. Coordination agreements between the Office on Aging and JTPA at the state level have been required and between the Area Office on Aging and the SDAs at the local levels.



## **STATE QUALITY ASSURANCE FUNCTIONS**

### ***Performance Standards***

Policies regarding performance standards development, incentives, sanctions, and remedial technical assistance have been developed primarily by the state JTPA administrative staff with input from SDAs and PICs and the Council. The JTPA administrative staff administers performance standards activities with Council approval. The Planning and Monitoring unit and the Program Management Services Bureau conduct a majority of the staff work.

Performance standards were adjusted in PY 1985 through action by the state JTPA administration and the Council with assistance to the SDAs. Generally the state staff conduct an analysis on adjustments with SDA input. The results are submitted as recommendation to the Council via transmittals. There were no additional standards or performance goals established by the state beyond the seven federal standards. An SDA needs to exceed five of the seven federal standards to qualify for an incentive award.

Remedial technical assistance is provided to SDAs which fail to meet performance standards. One SDA did not qualify for incentives based on Transition Year performance. Technical Assistance was provided to that SDA by state staff in the contracting process and on services to youth. The state does have a policy on sanctions, but thus far sanctions have not been required. There have been no particular difficulties or concerns in administering performance standards. The Governor's adjustments have been sufficient to adapt the standards to Idaho. The state has conducted no broader evaluations of SDA activities.

Of the \$458,426 JTPA six percent incentive and technical assistance funds available in PY 1985, \$137,528 was used for incentives awards for SDAs exceeding 5 of the 7 federal performance standards. The remaining \$320,898 were used for state level technical assistance and \$42,208 for a follow-up system.

### ***Management Information Systems***

Idaho has a centralized, automated management information system for reporting information on SDA activities. Data are down loaded to an IBM-PC for SDA use. Information reports are provided to the SDAs. Participant as well as financial information is included in the system. More information than is required on the federal Annual Status Report is received. The information includes sub-recipient provider level data, adult/youth data, administrative/services/training cost data and performance standards information. This information is available by SDA.

LMI training is usually provided in a cooperative effort with the Department's JTPA administrative and Research and Analysis staff and also with Vocational Education and SOICC staff. LMI information is not entirely adequate for employment and training uses according to a JTPA official. The resources are limited and JTPA has been unable to contribute in any significant way toward supporting LMI directly. In addition, information is not received in an timely fashion to meet planning cycle needs.

### ***Compliance and Fiscal Controls***

A formula is used to allocate the basic Title II-A (78%) funds. There were data constraints on the procedure so it was changed from a regional base to a county base to

moderate the impacts of funding changes. They also use data from the most current six months. There are still problems with the ASU definition.

The total basic Title II-A (78%) allotment for PY 1985 was \$5,959,534. Total expenditure was \$6,187,403 which includes carry-in. A reallocation policy has been adopted. Steps have been taken to increase expenditures that show a pattern of underspending. Work has been conducted with SDAs to encourage planning and allocation of all resources. As the SDA administrative entity, the Department of Employment monitors and requires corrective action. At the state level, a plan must be developed to use all the set-aside funds each program year.

Financial management is performed by the Department of Employment. The SDAs are monitored for financial compliance annually by specialized staff.

Audits of the SDAs are required every two years. State JTPA Administrative staff (manage) conduct the audit. Audit costs are assumed by the JTPA cost pool funds. Most audits have been "investigatory" in nature. The Employment and Training staff process the audit resolutions and recommendations are made to the Department Director who issues determinations.

There is no financial management handbook or audit guide or training of local financial management staff. On-site assistance in financial management is provided through assistance on plan development and oversight.

The SDAs are monitored on-site annually for all agreements over \$50,000 and for 20 percent of the funds in contracts under \$50,000. Desk monitoring is also conducted for compliance with expenditures, plan versus actual and cost limitation provisions. The major activities monitored include record keeping, financial management, contract compliance, and participant activities. All SDAs have a copy of a guide which includes procedures for monitoring, corrective action and the tools for conducting the reviews. In general, the monitoring staff resolve issues on-site except for items requiring re-payment, grant modification or administrative procedures. Charges or points on which no agreement can be reached are referred to the grants management staff, who must initiate action within fifteen days.

### *Training and Technical Assistance*

Various forms of technical assistance other than formal training are provided to SDAs. Meetings and conferences are held six to ten times per year, bi-monthly publications are available, on-site visits are made eight to 10 times per year and routine telephone inquiries are made daily. Technical assistance functions are spread across all staff. Six percent funds are used for technical assistance and a share of the JTPA administrative staff provide technical assistance. In addition, the Department of Employment SDA administrative entity staff are always functioning in a technical assistance role. The most common substantive areas covered through technical assistance are state and federal policy information, MIS, planning assistance, performance standards, LMI and program design/procedures. These areas are chosen by state staff, and at the request of the SDAs.

Remedial as well as preventative technical assistance is, and will continue to be, provided with the six percent funds. No formal training (pre or in-service) is provided, but training for Council and PIC members is provided on an as requested basis. There is no training institute. Training topics include, state and federal policy information, MIS, planning strategies, performance standards, LMI, job development, participant

assessment techniques and grants management training. These topics were determined through state JTPA staff, SDA and service deliver suggestions. State staff and contractors obtained by the SDAs provide the training. Sometimes participants' travel costs are covered. Six percent funds are most often used to provide local level training. Staff points out that the level of technical assistance and training provided is severely constrained by the resources available and the geographic distances that characterize Idaho. They believe that video taping could be used to stretch limited staff resources.

### ***Communication***

Generally, the relationship between the state and SDAs and PICs has been strengthened as trust has developed. Although states and SDAs agree on the most important issues, two of the largest SDAs have, however, indicated the desire to be their own administrative entity.

The Idaho Association of PICs was formed in December 1984 to promote greater cooperation and coordination between the Idaho State Council, the Department of Employment and the 6 SDAs in carrying out their job training and economic development responsibilities. Each SDA has three representatives: one PIC member, one PIC staff person and one local elected official. During its first year of operation, a major activity was the planning of the first annual IAPIC Conference. During its second year the Association has a list of specific goals to improve JTPA programs.

SDA and PIC opinions are solicited informally on a regular basis at the Idaho Association of PICs meetings. State staff are notified of all meetings, provided agendas and minutes and attend these meetings which are held before each of the four SJTCC meetings and the Summer Conference. State staff serve as technical staff to provide technical assistance and information. Other meetings are called to discuss MIS, follow-up and other issues. State and local staff meet for training, technical assistance, program and management design and planning.

Each SDA is visited eight to ten times per year to attend PIC meetings and deliver training. A variety of written materials are made available to the SDAs. These include LMI newsletters and an annual report, JTPA Memos (2 to 3 per month to provide procedures and technical assistance to sub-recipients), SDA Memos (2 to 3 per month to transmit information), JTPA rules (revised annually) and manual revisions (1 times per year). There have been no general complaints with the level or type of communication with the State Administration.

## ARIZONA

### INTRODUCTION

#### *Socio-Economic Characteristics*

Arizona's economy has been one of the most dynamic in the country, in the past few years. The state realized an employment gain of 24.7 percent from August 1982 to December 1984, resulting in an increase of more than 245,000 wage and salary jobs. With the notable exception of mining, most industries added jobs during this recovery period. A huge percentage increase in construction and service industries and moderate increases in other sectors, were the driving forces for a sharp rise in wage and salary employment in Arizona compared to the national economy. A record low unemployment rate of 4.3 percent was recorded in November 1984.

This economic growth has not been evenly distributed throughout the state. While the Phoenix and Tucson metropolitan areas have boomed economically, the non-metropolitan areas have lagged behind. For example, more than 60 percent of all the jobs created during the last two years in Arizona were in Maricopa County. Unemployment has continued to be a persistent problem in most of the non-metropolitan areas.

#### *State JTPA Profile Summary*

PY 1985 Title II-A Allocation	\$21,664,570
PY 1985 5% Allocation	\$ 1,083,229
Number of SDAs	15
Number of Individuals Terminated (PY1985)	8,509

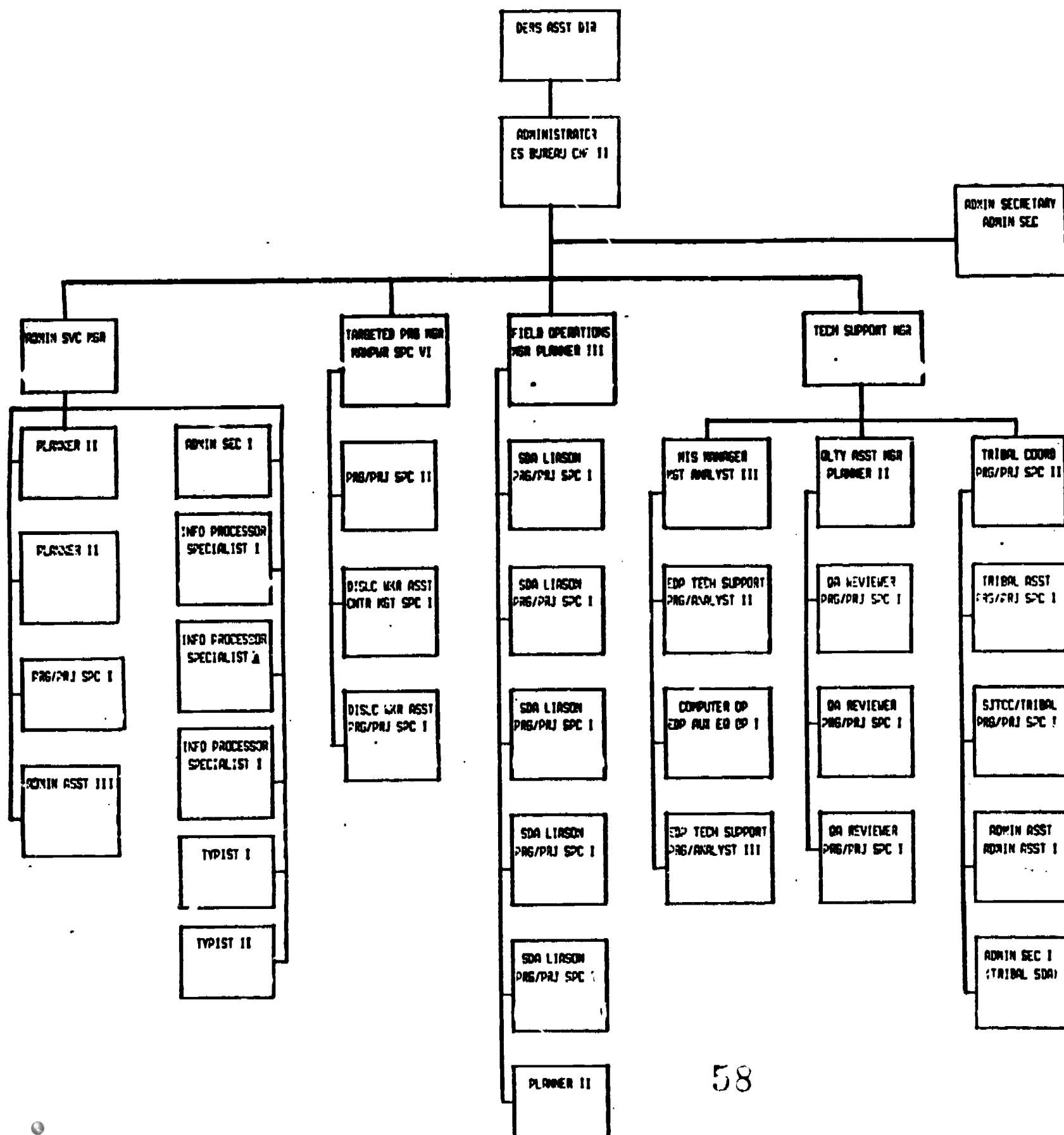
### JTPA ADMINISTRATIVE CONFIGURATION

#### *State JTPA Configuration*

At the inception of JTPA, Arizona's 14 counties and 19 Indian tribes were organized into 11 Service Delivery Areas. During PY 1985, a six county consortium was re-designated into five separate SDAs. A total of 16 Service Delivery Areas are in existence since July 1, 1986, when the Navajo Nation was designated as another separate SDA.

The State JTPA administrative entity is located in the Department of Economic Security's Employment and Training Administration within the Division of Employment and Rehabilitative Services. The State JTPA Administrator reports to the Assistant Director of the Department of Employment and Rehabilitation Services, who reports to the Director of the Department who reports to the Governor or his chief of staff. The administrative arrangement, which has not changed since the inception of JTPA, was selected because it made sense to have JTPA within DES, an umbrella agency, to allow coordination. (See the organizational chart)

The State JTPA Administrative Entity is also the grant recipient for the Tribal SDA. This arrangement was selected because the Tribal governments felt comfortable with the Department of Economic Security as a neutral administration. Separation of SDA and State administrative responsibilities are assured by the SDA administrative staff being





housed in a separate organizational unit within the JTPA Administration. There is no administrative cost pooling between State and the SDA administrative activities.

There are three divisions within JTPA and a separate Council function. The State JTPA Administrative entity provides the majority of state support in terms of dollars and/or staff time for Title III activities in addition to the SDA administration activities. There are 26 full-time-equivalent positions available to perform all the five percent administrative activities. There are 5 full-time-equivalent positions for the six percent, 2.5 full-time-equivalents for the Tribal grant and 1.5 full-time-equivalents for Title III. The total is 34 staff.

The total five percent funds available for PY 1986 was \$968,073 which includes \$65,000 in carry-over. Of those \$166,000 was allocated for Council staff and activities (\$38,000 from five percent funds and 1 full-time-equivalent) and \$702,073 was allocated for other administrative activities. A JTPA official believes that quality assurance, the Council, and Section 121 activities receive less attention than desirable because of the limited funds available.

According to a JTPA official, the most successful aspects of the State's management of JTPA include policy development and the advantage of having an umbrella agency administering multiple social service programs.

### *Set-Aside Program Management*

#### *Three Percent Set-Aside*

The Aging and Adult Administration in the Department of Employment Security provides the primary administrative support for the Older Workers set-aside. Title V, Older Americans Act, aging services programs are also provided through this agency. While separately administered in the agency, the staff report to the same supervisor as the three percent program. The strength of this arrangement is the potential close coordination with the Older Americans Act. The weakness is that the Aging Administration was not knowledgeable or oriented to employment programs.

One staff is assigned to the three percent program and the total administrative budget is \$35,000, provided entirely from the State's three percent funds. In-kind resources are available to supplement administrative costs. An official of the Aging Administration does not believe there are sufficient administrative resources to meet the older worker set-aside responsibilities under the Act. He indicates that more resources could be used for public relations, increasing private sector awareness and participation, identification of special needs in rural areas, economic development coordination and better planning for older worker programs.

The three percent allotment for PY 1985 including carry-over was \$795,000. PY 1985 estimated expenditures were \$500,000. The funds are allocated by RFP with an allocation to the two metropolitan areas and the rural areas. The SDAs are presumed deliverers of services but they have to write a proposal in response to an RFP. The SDAs often contract with community-based organizations to provide the services.

The State Council determines the overall goals for the three percent program and the Aging Administration, supported by the JTPA Administration, determines the more specific policies. The major priorities of the program are to: place about 250 people per year at an average cost of about \$2,500 per placement; increase participation in OJT, skills training, basic education, and job search training; build older workers' confidence; decrease direct placement activities; and spend the funds according to the Act. Recipients under the Supplemental Security Income (SSI) program are to receive priority service. The rationale for these priorities is to ensure more stability and higher wages for those people placed.

Dual enrollment between the three percent and the basic Title II-A (78%) programs is encouraged; however, not enough is being done according to an Aging Administration official. Dual enrollment with Title V, Older Americans Act, has not been encouraged; but it is allowed and occurs occasionally.

According to an Aging Office official within the Department of Economic Security, the most successful aspects of the Older Workers program are the acceptance of the program by the SDAs who were reluctant to deal with older workers, and its expansion into new areas. For example, projects of the three percent program are beginning to address the special needs of such population groups as displaced homemakers and the handicapped. Making the program a priority at both the state and local level within JTPA and Aging Administration has been a problem because of lack of administrative resources and lack of job opportunities outside the metropolitan areas. However, both problems have eased since the inception of JTPA and the money, largely unspent during the early years of JTPA, is now being spent.

### **Eight Percent Set-Aside**

Arizona's Department of Education administers the JTPA eight percent set-aside program. Between four and six staff people who work on a variety of projects including the eight percent activities are located in the Division of Vocational Education's Comprehensive Training Unit. The Division is responsible for Adult and Vocational Training (Perkins Act), the Trade Assistance Act training, and bi-lingual vocational training. This organizational arrangement works because there were already strong linkages between employment and training programs and other vocational and occupational training programs. The strengths of this arrangement are the strong ties to other education programs and the increased leverage with the local education agencies to get them to work with JTPA.

The PY 1986 available eight percent funds including carry-over totaled \$3,019,000. The Department of Education provides matching funds in the form of administrative support for the eight percent set-aside; however, the match mostly comes from the local level. The total administrative budget is approximately \$350,000, which is only partly provided from the coordination portion of the eight percent funds. About \$25,000 to \$30,000 is provided from State Education funds.

It is believed by an Education official that there are not sufficient eight percent administrative resources available to meet the responsibilities under the Act. The official believes there are enough resources to do the basic job; but that takes away from other activities especially coordination, and professional development such as in-service and pre-service training.

Arizona chose to target the following population groups and methods of training and education delivery: youths who drop out or are potential dropouts; displaced homemakers, the handicapped, limited English proficient; teenage parents; the homeless; adjudicated/incarcerated youths and those interested in entrepreneurship training. The rationale for these priorities was to try to target groups that were being underserved by the basic Title II-A (78%) program because of the greater costs for their training.

The coordination portion (20 percent) of the eight percent funds is targeted to activities which develop and expand efforts to facilitate coordination of education and training for JTPA eligible participants. Activities under the coordination portion of the eight percent set-aside foment coordination of education and training activities in areas such as development and expansion of model projects in SDAs and economic development.

The service portion (80 percent) of the eight percent funds is used to pay for statewide activities, model programs and other activities. Statewide activities are targeted to projects which are tailored to meet job training needs of juvenile offenders and for customized training for new and expanding businesses and industries.

A request-for-proposal process is used for model programs and other activities which are not statewide in scope including local participant service programs. Proposals must be submitted to PICs for review and comment. Typically, community-based organizations, local education agencies and SDAs provide eight percent participant services. Statewide eight percent activities are funded as appropriate through Intergovernmental Agreements (IGAs) with other state agencies such as the Department of Commerce, the Department of Corrections and DES.

Dual enrollment is allowed between the eight percent and the basic Title II-A (78%) programs. Dual enrollees must be identified and the associated expenses documented. About 30 to 40 percent of eight percent program participants are dual enrollees.

### **Ten Percent Set-Aside**

The Governor's Office of Community Programs, an agency independent of the JTPA Administration, provides administrative support for the Wagner-Peyser ten percent set-aside program. Department of Employment Services does all the contract work and provides the record keeping and financial support and the Governor's Office staff does the monitoring. This organizational arrangement was chosen for the Wagner-Peyser ten percent program to give it more flexibility to fund innovative programs. There are three full-time-equivalent staff assigned to the program with an estimated administrative expenditure of \$149,000.

The ten percent administrative entity together with the Governor determines the general goals and policies of the program. The major priorities of the program are groups with special needs and exemplary models. The most successful aspects of this program, according to a special assistant to the Governor, include the participant services provided in the community, the enhancement of the summer youth program and a joint agreement between welfare and ES. The program is successful because placement goals of at least 65 percent are set for each contractor. There is constant monitoring against these goals.



## **STATE POLICY MAKERS**

### ***State Job Training Coordinating Council***

Membership of the State Job Training Coordinating Council (SJTCC) strictly follows the parameters established by the Act. In 1986, the Chair of the Council was an administrator of Motorola, Inc. The local representatives on the Council, while only occasionally acting as representatives of SDAs, are active and influential on such issues as redesignation and general issues. The private sector members are strong, advocating for example more marketing of JTPA. They also strongly support Title III programs by writing to Congress and the State Legislature. In addition, a Title III strategy plan for targeted programs is being developed with Council support.

The Council works primarily through committees. These include an Executive, Policy and Planning, Monitoring and Evaluation, and Targeted Programs, as well as other Ad Hoc committees or task forces as required. These committees and the full Council met monthly at the time of the site visit in 1986 but will meet bi-monthly in 1987.

State Council staff support (3 full-time-equivalents) is provided by the same parent agency as the JTPA Administrative entity but it is a completely separate function. In addition, the state JTPA administration provides the personnel to staff all SJTCC subcommittees and additional staff is made available as the need arises. The SJTCC Administrator reports to the DES Director's Office. The current organizational arrangement was chosen for the Council to achieve a level of autonomy with a small staff while being tied to the JTPA Administrative entity. The strengths of this arrangement are its independence and the perception of its legitimacy.

The total budget for Council support activities in PY 1985 was \$173,000, provided entirely from the five percent funds, plus in-kind resources which include staff support from the JTPA Administrative entity. A Council staff official believes that there are not sufficient resources to meet the responsibilities under the Act. More resources could be used in the Council budget for meetings and to do demonstration projects to support SDA innovation and for system support activities.

The Council usually works with the State JTPA Administration to develop policy for the six percent, the three percent and Title III funds. The State Administration concentrates on administrative policies such as the State plan and issues bulletins to establish policies. The Council, which generally addresses broader issues, on the whole develops its own recommendations with staff assistance. The Education Department makes the key policies for the eight percent funds with Council approval. The ten percent Wagner-Peyser funds are not in the purview of the Council, but are managed directly by the Governor's office.

A Council staff official believes the Council is a major force in the development of employment-related policies in the state. The welfare-to-work issue has been of primary interest to the Council. Through this initiative, the Council has influenced work and welfare programs, education, all employment and social programs. The Family Assistance Administration, for example, has made a lot of changes to accommodate JTPA. The Council also has been a major force in the development of a special delivery system for dislocated workers.



The major goal of the Council is to broaden services to participants statewide and across program lines. The Governor asked the Council to develop a welfare initiative and a Blue Ribbon Task Force on Employment Initiatives.

According to the Executive Director of the Council, the most successful Council decisions have been on:

- o development, by a special youth competencies task force, of a list of youth competencies for use by local PICs. This list includes pre-employment, guidance, work skills and other standards;
- o sponsorship of two conferences and follow-up on the implementation plan of the Blue Ribbon Task Force on youth, job creation, work to welfare and the labor market;
- o setting aside 30 percent of the incentive money for welfare enrollment and placement with a waiver on support payments. DES worked internally to coordinate and collaborate with the SDAs and provide them with a lot of technical assistance;
- o sanction/incentive policies; and
- o the tribal SDA designation.

The major constraints to Council work, according to the Council Executive Director, include not enough money to carry out the responsibilities, U.S. DOL constraints on flexibility of the six percent funds, and changing state priorities. These constraints have been lessened since the inception of JTPA.

### ***State Legislature***

The State Legislature has passed a law that changed funding in Community Colleges to make training for JTPA participants more available. There are no state funds appropriated specifically to supplement or complement JTPA activities. The legislature is not involved in providing oversight of JTPA, audits or any other regular activities relating to JTPA.

## **STATE MANAGEMENT PRACTICES**

### ***Policy and Planning***

The Goals Statement, the Coordination criteria and the Governor's Coordination and Special Services Plan (GCSSP) are reviewed and updated annually. Outside views are solicited from the SDAs through public hearings and incorporated into both the Goals Statement and the plan. The established goals are a part of the plan and criteria are developed based on the goals, although there are no resources set-aside to meet the criteria. Progress toward achieving the goals is reviewed primarily by JTPA staff in monthly meetings rather than by the Council.

Progress toward meeting the coordination criteria described in the plan is reviewed periodically. The Council has requested that the state JTPA Administration provide technical assistance in areas where coordination has been weak; but the Council itself has not really considered coordination policies because there is a State Interagency Coordinating Committee on Employment and Training.

The State JTPA Administration does have a formal rulemaking process for developing and promulgating administrative policies which is based on the State Administrative Procedures Act which is very formal. The process normally takes about 5 months but there are emergency procedures. Other methods used to develop and implement administrative policies include information bulletins and contractual requirements. Administrative policies are derived from the U.S. Department of Labor, the State JTPA Administration, other State agencies such as Education regarding displaced homemakers, the Council and the SDAs.

### **Coordination**

In general, the Governor's Coordination and Special Services Plan has been the major vehicle to promote coordination efforts. Coordination efforts have varied in different areas. The Governor's plan provides the guiding principles to be followed in coordinating JTPA activities with those of other agencies at the state and local levels. Coordination efforts have varied in different areas.

Coordination activities with the Education Administration have increased over time. JTPA and the Department of Education have sponsored conferences with emphasis on secondary education. The State has supported innovative summer youth programs in Maricopa County in an effort to increase collaboration and coordination between programs operated by the SDA and other local agencies.

At the post-secondary level there is an interagency coordination committee composed of community colleges, Department of Commerce, Department of Education and DES which meets every month as a forum to discuss issues. There is also a voucher program to provide Title III participants a choice including training through community colleges. It is a joint venture between the Department of Education and community colleges. All community colleges are providing open entry/open exit programs.

A major effort in the welfare area is the welfare-to-work and Arizona Works initiatives. This is an attempt to increase service to AFDC recipients through the coordination of JTPA, Job Service, and Family Assistance (AFDC) programs.

JTPA activities are also coordinated with Department of Corrections activities. The Department of Corrections has established a referral system among the SDAs for prisoners. The intake is done by the SDA where the prisoner is located, then the record is transferred to the SDA where the prisoner is going to receive services. There is also a youth services program in conjunction with the Department of Correction.

There is an Operation Mainstream program for rural areas with the State Department of Commerce, funded with \$100,000 in general revenues. DES has worked with ten percent funds, block grants, and six percent funds to do local economic development involving all the SDAs. A long term strategy has been developed and assistance for marketing is provided.

JTPA is heavily involved in setting a new direction for the state Employment Services (ES) to be a more structured self-directed job service. The welfare-to-work program has become an integral part of ES referral and placement activities. ES and JTPA personnel are co-located allowing mutual referral of ES and JTPA participants.

## **STATE QUALITY ASSURANCE FUNCTIONS**

### ***Performance Standard System***

Policies regarding performance standards development, incentives, sanctions and remedial technical assistance have been developed jointly between the State JTPA Administration and State Council members.

The total six percent allotment for PY 1985 was \$1,300,000 of which \$780,000 was set aside for performance standards incentives and \$520,000 was set aside for technical assistance. Some incentive funds are separated for the hard-to-serve and welfare groups. Incentive funds are based on each federal standard being met. Previously four out of seven standards had to be met to receive an incentive.

For PY 1985 and PY 1986 two additional standards beyond the seven federal standards were established by the state. They were for the hard-to-serve and welfare recipients.

In PY 1985 four adjustments were requested such as for copper mining wages and for the Tribal SDA where the numbers fall completely outside the bounds of the model. The procedure for requesting adjustments is to write to the JTPA entity following the instructions in the available technical assistance guide.

There are no measurable goals for activities funded through the coordination portion of the eight percent program; there are only contract requirements and administrative goals. There are measurable goals, however, for the service portion (80%). The staff developed these goals based on previous program experience. They are part of the RFP and not subject to Council vote. Some contracts have been terminated because of poor performance. There are no financial incentives for those who meet or exceed the goals.

There are measurable goals for the three percent activities, which are determined by the Aging Administration. These include a 55 percent placement rate, average wage which varies with SDA, and ten percent welfare recipient enrollment with 55 percent placement. For the last two goals there are no state performance requirements. If the goals are not met, a review of performance is conducted, and technical assistance provided. Funds for the following year are reduced. There are no financial incentives for those who meet or exceed the goals.

### ***Management Information Systems***

Arizona has a decentralized Management Information System (MIS) for reporting information on SDA activities. There is a complete data base containing individual records at each SDA. It is primarily a local management tool, which the state uses as a planning tool. Information is updated quarterly to the state level. The SDAs mail in floppy disks or occasionally use modems. This process is slow in terms of getting reports in on time, but there is no problem with the accuracy of the data.

An MIS users group sets the standards and direction for the system based on the Washington State model. A standard Lotus spreadsheet, developed by the Labor Market Information (LMI) Division, is installed and maintained in each SDA so that each SDA can track performance standards, receive LMI data and use the system to meet their own management needs. Although, the system contains more information than is required on the federal Annual Status Report, it does not include financial information. The information is mostly planning and performance standards data.

The participant reporting systems for the eight percent and three percent programs are primarily manual, with quarterly status reports. All definitions and categories are the same as for JTPA; but the systems are completely separate. The state was planning to look into having the system become part of an automated JTPA system.

The State JTPA uses six percent funds (\$225,000 in PY 1985 and \$195,000 in PY 1986) for the development of local LMI. The LMI program has 17 different sources of funding for its \$1.2 million budget. In PY 1985, the Employment Service (ES) contributed \$150,000 in ten percent funds for LMI. The JTPA office arranges for training for local staff in the development and use of LMI. The Research office conducts meetings to determine the user's data needs and to explain the use of the information, conducts training for school and some SDA counselors, responds to requests during the planning cycle, and does special studies for the larger SDAs.

### *Compliance and Fiscal Controls*

The role of the Quality Assurance Unit is a combination of compliance and technical assistance. The Quality Assurance Unit, with 2 1/2 full-time equivalent staff conduct desk monitoring for technical assistance purposes. These staff keep in regular contact with the SDAs, follow-up on corrective action, and conduct on-site visits at least monthly. On-site visits are conducted once every year. Available reports are reviewed in preparation for the site visit. If corrective action is necessary, liaisons follow-up on the corrective action reports and the response is sent back to the Quality Assurance staff. However, many problems are addressed on the spot.

There is a financial management handbook or audit guide for the SDAs in the area of financial compliance. The SDAs are monitored for financial compliance, by specialized staff. There have been no major problems encountered, however normal corrective actions are taken when deficiencies are found. When errors are found, on-site technical assistance is provided in financial management.

Audits are required under the Single Audit Act. The Department of Education auditors did independent audits in PY 1986 of a sample of the eight percent program contracts. Three on-site visits and desk monitoring are conducted annually by the Education Department. Every two years an in-depth monitoring visit is made by Quality Assurance staff. If corrective action is necessary the same procedures as for the basic Title II-A program (78%) are used.

The State JTPA Quality Assurance unit does in-depth monitoring of the three percent program funds. Otherwise, monthly financial reports are sent to the Aging Administration. On-site monitoring is conducted at least once a year, with an in-depth visit conducted once every two years. Corrective action is handled by the Quality Assurance Unit using the same procedures as for the basic Title II-A (78%) program. An annual independent audit is required of the three percent program.

In PY 1986 when the survey was taken, the state was working on a reallocation policy for unspent basic Title II-A (78%) funds. The Council had discussed such a policy and was agreeable to one in principal. There was some resistance among the SDAs because no hold harmless provisions had been included. However, at the time of the survey, the state was working with the SDAs on expenditures.

No carry-over is permitted under the eight percent program and all unexpended funds are reallocated by RFP. There was no reallocation policy for the unspent three percent funds.



The state has conducted quality assurance reports of SDA activities as well as broader evaluations. No formal evaluation of the ten percent program is conducted to determine its effectiveness in meeting the goals of the Act. No general evaluation of the three percent or eight percent programs have been conducted.

### *Training and Technical Assistance*

There is no specially funded staff to provide technical assistance to SDAs; however, the Quality Assurance staff does considerable on-site technical assistance. In addition to state staff who provide technical assistance, state contractors and contractors obtained by the SDAs also provide assistance. Specialized MIS staff provides technical assistance to SDAs.

The general types of technical assistance provided include meetings and conferences. The SDAs write in and ask for technical assistance. In addition, a state administration consultant does financial analysis training, test material development, youth and welfare-to-work coordination conferences, and performance-based contracting training on a state-wide basis.

More formal training topics are determined by the state JTPA staff sometimes, but primarily from SDA suggestions. Training usually lasts 1 day and ranges from 1 to 2 days in length. A variety of training providers are brokered by the state staff in addition to the state staff that provide training and the contractors obtained by the SDAs. Sometimes participant travel expenses are covered.

Preventative, as well as remedial, technical assistance is provided with the six percent funds. The most common substantive areas covered through technical assistance are state and federal policy information, MIS, performance standards and LMI. These areas are chosen by the state staff and at the request of the SDAs. The state council has established issues that impact multiple SDAs as the top priority for technical assistance.

A lot of on-site technical assistance is done by the Education Department staff for the eight percent program. Minimal in-service and pre-service training for the staff of eight percent contractors is provided with funds from the coordination portion.

A JTPA official indicated that the state was satisfied with the overall level of technical assistance being provided to the SDAs, but added that the resources are not there to do more.

### *Communication*

The relationship between the SDA/PICs and the State Administration started out adversarial; but it has improved to one of general consensus. The major disagreement has been on the eight percent set-aside. SDA opinions are solicited on a regular basis through a roundtable mechanism where SDAs discuss administrative issues. There are also regular meetings every other month with the SDA Directors.

While there is no formal SDA/PIC organization, there have been a couple of meetings with PIC chairs and members. There's a PIC Chairs' meeting every six to nine months, where PIC Chairs meet with the state and SDA administrators as well as the SJTCC. In addition, there is an MIS users group, regular meetings with SDA staff on financial management, SJTCC Task Forces that have SDA representation (incentive award formula and welfare-to-work, for example). Liaisons visit the SDAs for purposes other than monitoring at least once a month. Every PIC has been visited at least once. Written communications consist of numerical information bulletins and newsletters.

## MARYLAND

### INTRODUCTION

#### *Socio Economic Characteristics*

Maryland stretches 230 miles from Assateague Island and the resort beaches of the Atlantic around the Chesapeake Bay - bordered by fishing and crabbing towns, truck and tobacco farms, and the state capital of Annapolis - through the booming hi-tech, government, and services-based Baltimore-Washington Corridor and rolling dairy farms until it makes a long reach around the shoulder of West Virginia into the Appalachian Mountains area with its coal mines and white water rivers.

Ninety-three percent of the state's four and a half million people live in the overlapping Baltimore-Washington metropolitan areas. Unemployment, which averaged about 5 percent for the state in 1985-86, is lowest at the center and highest at the edges with a major pocket of joblessness in the city of Baltimore.

In 1986 unemployment ranged from a low of 2.1 percent in Montgomery and Howard counties - between Washington and Baltimore - to over 10 percent in Garrett, the western most county, and Somerset in the far southeast. During that year state unemployment ranged from a low of 4 percent in the spring and summer to a high of 5.1 percent in the winter months.

Unemployment in the state as a whole stood a full two percentage points below the national average in April 1986. Not only was the unemployment rate relatively low but the number of people working in the state reached an all time high in 1986, standing at nearly 2.3 million in April, an addition of some 50,000 new jobs from the previous April.

Yet despite the economic renaissance of recent years as high-tech, defense, and service industries have replaced a declining base of heavy industry and traditional manufacturing, some 600,000 Marylanders (425,000 over 15 years old) remained in poverty. And, even though the unemployment rates are generally low, the effects of displacement, isolation, and low skills left some 92,000 people unemployed in the state as of April of 1986.

#### *State JTPA Profile Summary*

PY 1985 Title II-A Allotment	\$24,560,926
PY 1985 5% Allotment	\$ 1,228,046
Number of SDAs	10
Number of Individuals Terminated (PY 1985)	16,741

### JTPA ADMINISTRATIVE CONFIGURATION

#### *State JTPA Configuration*

The state's 23 counties and the independent City of Baltimore are divided into 10 JTPA Service Delivery Areas which roughly follow the geographic distribution of labor markets within the state. Three types of organizations administer the SDAs: four are administered by local government agencies or consortia, four by Private Industry Councils, and two by local community colleges.

In 1983, following the passage of the federal Job Training Partnership Act, the Maryland State Unemployment Insurance unit, the State Employment Service, and the new State JTPA Administration (which had been the CETA Balance of State

Administration) were separated from the State Department of Human Resources and organized as the Maryland Department of Employment and Training (DET). (Another re-organization occurred in 1987 when all units of the Department of Employment and Training became part of the Department of Economic and Employment Development.)

The Employment and Training Department was organized into three major units: an Office of Administration which handles internal administrative functions such as personnel and finance; the Unemployment Insurance Administration; and the Job Training and Placement Administration, which administered both the state JTPA activities and the State Employment Service. The Assistant Secretary for the Job Training and Placement Administration reported directly to the Department Secretary.

The DET Job Training and Placement Administration performed the major management functions for JTPA activities including Title III Dislocated Workers and the state set-asides with the exception of the eight percent Education Set-Aside. The Administration was organized into three divisions. The Division of Planning, Policy, and Evaluation performs planning and evaluation functions for both JTPA and the Employment Service and the Operations Division oversees the operational aspects of both. The third division, the Apprenticeship and Training Council, oversaw state apprenticeship activities.

Even though the divisions combined functions of the Employment Service and JTPA, staff units within those divisions still functioned according to program lines. Thus, the Operations Division had separate units for the administration of Job Service operations and for JTPA programs. The JTPA operations unit handled such functions as Management Information Systems, monitoring, and financial management for all Title II activities, including the state set-asides, as well as federal and state funded dislocated worker programs.

The State of Maryland had \$1,785,938 in JTPA five percent general administrative funds available at the beginning of Program Year 1985 (June 1985 - July 1986) including \$557,892 of unspent funds carried in from previous years. During PY 1985, \$1,441,826 in general administrative funds were spent for all purposes leaving a carryover of \$344,112 for Program Year 1986.

Half of the administrative funds were used for activities related to planning and monitoring. Approximately one-quarter of all administrative funds were used for inservice training, labor market information, follow-up, and evaluation. In addition, Management Information System (MIS) costs added up to 13 percent of general administrative costs.

In addition to administrative support and oversight of the SDAs basic title II-A (78%) programs (e.g. monitoring, financial management, management information, technical assistance), in PY 1985 the State used five percent funds to provide \$220,000 in direct support for the State Council, approximately \$50,000 for the Older Workers set-aside, \$25,000 for the education set-aside, perhaps \$100,000 to support Title III and other dislocated worker activities, and another \$100,000 to support the integration of the state funded JTPA allowances and other programs into the JTPA system.

The state also spent approximately \$180,000 in general administrative funds for activities authorized under Section 121 of the Act including support for evaluation and follow-up of JTPA programs, labor market information training, and research and staff training.

The State has 29 total staff to administer all JTPA activities exclusive of staff assigned to the Title III Dislocated Workers program. This includes 25 individuals funded out of five percent administrative funds, two persons funded out of the Older Worker and Education set-asides and two persons funded out of the six percent set-aside.

### *Set-Aside Program Management*

#### *Three Percent Set-Aside*

During PY 1985, the Administration of the three percent set-aside program was shared between the Department of Employment and Training and the State Office on Aging. Seventy-five percent of the funds were allocated among Service Delivery Areas by the Department of Employment and Training. The remaining 25 percent of the funds was retained by the state for special demonstration programs developed in conjunction with the State Office of Aging. The State Office of Aging also had responsibility for Title V, older Americans programs.

This organizational arrangement was chosen so that the existing administrative system would be used as much as possible while also allowing the resources of the Aging Administration to develop innovative programs. This arrangement has resulted in the two offices having to spend a lot of time in coordination.

In PY 1985, the total administrative budget for the Office of Aging was \$21,184. According to an Office of Aging official, there are insufficient administrative resources to meet the responsibilities under the Act.

The State Job Training Coordinating Council, the state JTPA office, and the three percent administrative entity collectively determine the general goals and policies of the three percent program. The PICs all have to sign off on the services to be delivered or the participants to be served with the three percent funds. The major priorities of the program are at the discretion of the locals. However, state priorities relate to maintaining expenditure levels, increasing coordination and encouraging combined programs between JTPA and Office of Aging. There is more of a focus on the 55 to 60 age group because there is more of a need there, although the focus is informal.

Dual enrollment between the three percent and the basic title II-A (78%) programs are allowed but its practice is not widespread. Although there is no policy supporting systematic provision of other educational services such as Adult Basic Education or Vocational Education to three percent participants on a regular basis such services are available.

According to an official of the Office of Aging, the most successful aspects of the three percent program are the piggy backing on the success of the Title V Employment Service program, the support of training for self employment and long term skill training. The program has been successful because it is a good employment-oriented local program and because the Office of Aging is working with employers to promote hiring of older workers.



The major problems encountered, according to an Office of Aging official, include differences in eligibility between Title V and JTPA, some recruitment problems (the SDAs have more problems in recruitment), coordination in the metropolitan counties between the SDA and the three percent service provider and the difficulty of the Aging Office learning to deal with MDS and eligibility and certification requirements. There are still problems in spending. These difficulties have been lessened since the inception of JTPA. Actions to lessen these problems include improving coordination through clarified rules of procedure, and by getting contractors to apply to SDAs for the three percent funds before coming to the State, and through better sign off on program tasks between SDAs and the local aging offices.

### **Eight Percent Set-Aside**

The State Department of Education, Pupil Services Branch, performs major administrative functions for the JTPA eight percent funds. However, during PY 1985 the DET staff retained a significant administrative responsibility. The Pupil Services Branch has two sections: Student Development which includes guidance counseling, health services and alternative programs and Employability Development which includes mostly the eight percent, career development and world of work competencies.

According to a Department of Education official, the strengths of this administrative arrangement were that it gets local schools and the students involved, and links counseling and support services to all students.

About 75 percent of the service portion (up to 80 percent) and about 63 percent of the coordination portion (up to 20 percent) education funds are administered by the Department of Education. Twenty-five percent of the services portion goes to the SDAs for use at the community colleges for adults and some skill training. Local schools provide the matching funds.

The Education official believes that there are sufficient resources to meet the responsibilities under the Act, but that if more resources were available, the state could offer more preventive long term services.

Of the participant service funds, 90 percent were allocated by formula which included a base amount plus extra for the relative number of economically disadvantaged. The eight percent allotment in PY 1985 was \$1,964,874 including carryover. The Department of Education received \$1,427,498 and including carryover the total was \$1,753,542. Education expended \$1,385,406. The policy in PY 1985 for reallocation of unspent funds was that 10 percent could be carried over from the previous year; the policy in PY 1986 is that none can be carried over.

The State Job Training Coordinating Council, the JTPA Administration, jointly determine the general goals and policies of the eight percent program, the Council is particularly strongly involved. The major priorities of the program are to serve youth age 14-21 with the choices of pre-employment, work maturity or remediation. Many 14 to 17 year olds are served partly because the SDAs are serving a larger number of older youth. Increasing coordination is also a priority. In-school youth, dropouts, teen parents groups and alternative schools run by the Local Education Agencies (LEAs) receive priority service.

The Coordination funds are being used to support: training conferences for SDA staff, LEAs, other service providers on self directed job search, career decision-making and motivation; regional one day meetings to share information and to deal with administrative issues; statewide coordination meetings for youth-serving agencies; and technical assistance on program development, compliance and MDS. There are also seven coordination projects at a cost of about \$70,000 to \$100,000.

Dual enrollment between the eight percent and the basic title II-A (78%) and the Summer Youth programs is allowed. However, it is not widespread. Providing other education services such as Adult Basic Education or Vocational Education to eight percent participants is done on an as-needed basis.

There has to be joint agreement between the PIC/SDA and the LEA in determining the services to be delivered or the participants to be served with the eight percent funds. It is usually proposed that the LEAs meet the PIC designated needs. Local schools primarily provide eight percent participant services, although some CBOs and one community college also provide services.

According to an Education official, the most successful aspects of the eight percent program are that so many county schools are involved in the program because it leverages a lot of money for the schools, it has put employment in the forefront in schools by making students other than those in vocational education aware of the outside world and is making teachers aware also and the corrections program because inmates are in a pre-employment program within the year of their release which includes job search, skills training, they want to be involved and the program can be used during work release.

The major problems, according to the Education official, in successfully carrying out the eight percent program are the declining resources, the difficulty in keeping up with compliance (MIS, eligibility and complaint procedure). These difficulties have been lessened since the inception of JTPA by simplifying the process with easier instructions than the initial requirements which were quite prescriptive, adapting to the reorganization and increasing the understanding of the process of those involved.

### Ten Percent Set-Aside

The Wagner-Peyser ten percent set-aside is administered by the Job Service Operations Unit (Division) under the direction of the Assistant Secretary for Job Training and Placement which is the JTPA Administration, provides the primary day-to-day administrative support for the ten percent program. This arrangement was chosen because it was part of the overall plan for the new department, and it made sense to keep the ten percent and the 90 percent together. The strengths of the arrangement include better coordination, according to a JTPA official. According to the JTPA official the program works very smoothly.

Staff time is not accounted for separately but is part of overall administrative budget. Some indirect charges are applied when staff are working on specific projects.

The total allotment for the ten percent program was \$1,130,000 plus \$670,000 in carryover. Of this total, 70 percent was used for exemplary models, about 30 percent for services to groups with special needs and 1 percent for performance incentives to employment services offices and programs. The ten percent funds are integrated into the ES plan and viewed as discretionary money to do innovative system improvements and incentives to automate the department, for information systems. Some funds are held back for special groups such as corrections and used as leverage or glue money.

The JTPA administration (which includes both ES and JTPA) and the Council determine the general goals and policies of the ten percent program. The major priorities of the ten percent program include services to the hard-to-serve and collaboration with SDAs, and systems improvements. Automation, specifically funded with the ten percent funds has allowed the use of job matching.

A JTPA official believes the most successful aspects of the program include office automation, incentive awards (plaques) to local staff and managers for performance improvement given at a luncheon, and the covering of costs of co-location and other coordination activities. These efforts have been successful because there has been increased productivity both in the field and centrally.

## **STATE POLICY MAKERS**

### ***State Job Training Coordinating Council***

With the clear support of the Governor and the legislature, the Maryland State Job Training Coordinating Council takes an active approach to a wide range of employment related issues. The Council sees its own role as "getting the programs to get people to work by looking at a broad range of employment related issues," according to Council staff.

The Governor's Employment and Training Council, or GETC, reports directly to the Governor and the staff is organized within the Governor's Executive office. In addition to its role under JTPA, the Council serves as the State Employment Service Advisory Committee and the State Occupational Information Coordinating Committee (SOICC). This is seen as consistent with the Council's general mandate to address a wide range of employment issues affecting the State. Although a recent move to have the Council serve as the State Council on Vocational Education was rejected by the U.S. Department of Education, the GETC continues to take an active interest in educational issues.

The Council operates with a budget of \$210,000 and a staff of four. All of the funding with the exception of \$16,000 from the JTPA eight percent set-aside comes from the state JTPA five percent administrative funds. Additional assistance comes from the Department of Employment and Training which provides backup research, statistical work, and internal staff work on issues of mutual interest. The Department also provides funding - from a variety of program sources - for the Bradley Center for Employment and Training Research at the University of Maryland which provides information and research assistance to the Council.

The President of a diversified Maryland-based services corporation chairs the 33 member council and about a third of the membership are chief executive officers or other high level executives of private businesses. The President of the State Senate, the state Speaker of the House and two other legislators have been active in Council deliberations and have helped guide Council proposals through the legislature.

Five county and city officials and four state cabinet secretaries are also members of the Council. In making the appointments the Governor has required that any member not attending half of the meetings be removed from the Council. No alternates may represent the appointed Council members in its deliberations..

Aside from its nine member Executive Committee and the two standing advisory committees (i.e. Employment Service and SOICC), the Council prefers to establish Ad Hoc Committees or Task Forces to study and make specific recommendations of a given issue rather than maintain standing committees, according to Council staff.

The Council staff emphasized that the decision to give a strong local orientation to JTPA in Maryland with a minimum of specific regulations or state involvement in providing direct services was a conscious and thoroughly discussed decision, not just a passive response to the mandates of the legislation.



The staff indicated that the major constraint on Council activity has been the perception among other state agencies that the Council's only real interests are Department of Employment and Training programs rather than a wider range of employment related concerns. They say the removal of the Council to the Governor's office has helped in this regard but that the perception still remains among many of those whom the Council would like to work with.

Council staff said the original Council decisions on establishing the administrative framework and philosophy for JTPA in Maryland, the attention to general employment issues, and the involvement of the legislators were the most successful aspects of the Council's activities over the last three years.

## **STATE MANAGEMENT PRACTICES**

### ***Policy and Planning***

The Governor and the State Council are active in setting standards, goals and general policies for the Maryland JTPA system. However, according to those officials interviewed, they have also been careful to leave the 'process' questions and administrative policy to the State JTPA administration in the Department of Employment and Training.

In terms of development of administrative policies, the department has chosen from the beginning of JTPA to work closely with the SDAs and other service providers. "We really live by consensus," stated the former Assistant Secretary for the Job Training and Placement Administration, in describing the collegial approach the State of Maryland has taken in meeting its management responsibilities under the Job Training Partnership Act. "Sometimes we get blown out of the water when we go to the SDAs with a proposal they don't like. But when we come to agreement, it sticks."

"Of course there are times when, for political reasons, the state staff has to take a position it can't budge on. But, because we have open communications and do respect the judgment of the SDAs, it goes down easier with them." Officials also point to the high level of expenditures for accountability activities as an indication that consensus in development of administrative policy does not mean tax enforcement of the financial and program requirements of the Act.

"We believe the locals should make the basic operational decisions and that state policies should not interfere with those as long as we are all meeting the requirements of the Act."

The administrative policies are formalized through a Field Instruction system whereby all policies and directives are issued through numbered Field Instructions that become the body of rules for all JTPA activities. These instructions are often developed by joint teams of SDA and State staff before they are issued in draft form for public comment including discussion at the quarterly SDA directors meetings. Since the system is relatively informal, the time needed to develop new policies is relatively short, according JTPA administrators.

### ***Coordination***

The State JTPA administration's primary efforts to achieve coordination among employment related programs have been at the state level.



The unified organization of the Employment Service and JTPA at the state level has facilitated cooperative efforts between the two activities at the local level such as co-location of local ES and JTPA staff. ES staff is located in JTPA offices and vice-versa. ES and JTPA programs also operate joint Job Clubs in a number of locations and do joint recruitment for the Summer Youth Employment Program (Title II-B of JTPA).

However, the state has been careful not to require the SDAs to use ES services where the SDAs are not inclined to do so. The Employment Service does not act as the administrative entity for any SDA or routinely provide intake or certification for JTPA participants as is the case in other states.

Conversely, the Private Industry Councils have little impact on local Employment Service planning. As the director of planning for the State administration said: "The Maryland Employment Service is purely a state operated system. The locals, the PICs, have very little leeway. The real impact is in coordinated services, not in ES program design or resource allocation."

Thus, the organizational unity at the state level does not automatically lead to integrated services. Nevertheless the state staff believe the unified organization has made it easier to provide such services where it is mutually agreeable at the local level.

## **STATE QUALITY ASSURANCE FUNCTIONS**

### ***Performance Standards System***

In Maryland, the State Council determines all policies regarding performance standards and incentives. At the outset of JTPA the Council chose to use the national performance standards statistical model as the basis for adjusting standards to local conditions and clientele. The actual numerical standards for the seven areas (adult entered employment, welfare entered employment, cost per adult entered employment, average adult wage at placement, youth entered employment, youth positive termination, and cost per youth entered employment) are developed by the the Monitoring and Evaluation unit within the Operations Division of the JTPA administration.

At the end of each program year the Monitoring and Evaluation unit calculates actual SDA participant characteristics and performance using the management information records (see description of Maryland MIS below) and then determines the seven standards for each SDA using the national performance standards model. The variance from the standard is determined and performance incentives awards calculated. To assist the SDAs in tracking where they stand in regard to meeting the standards at any time during the year, the JTPA administration has prepared the appropriate computer software for use in the SDA's computerized MIS systems.

In Maryland, the state has established a system for the SDAs to request extraordinary adjustments to their standards when submitting their local employment and training plan. Thus far, only one SDA has requested such an adjustment in regard to local wage standards. The state, however, was able to come up with better local wage data which was then incorporated in the national model and the SDA's concern was satisfied.

The State Council determined that 85 percent of the six percent funds should be devoted to incentives to those SDAs which exceed their performance standards. The remaining 15 percent is reserved for technical assistance to the SDAs and for follow-up studies of participants who have terminated from the SDA programs. During the Transition Year a portion of the six percent funds were reserved for the establishment of the State/Local Management Information System. A small portion is used to develop and administer the performance standards system itself. No funds are specifically reserved for 'hard-to-serve' groups although the incentives are weighted to favor service to welfare recipients.

To be eligible for performance incentives the SDAs must achieve five of the seven standards prescribed by the U.S. Department of Labor. If eligible for incentives, the SDA is provided a weighted incentive award for each standard which it exceeds. The awards are prorated so that the SDA can only receive its maximum potential award by exceeding the given standard by 10 percent or more.

The weighted incentive is based on a formula that incorporates proportionate size of the SDA in terms of basic allocations, the amount by which the standard was exceeded, and weighted priority for that standard established by the State Council (e.g. the Council has determined that 25 percent of the available incentive funds will be used for awards for exceeding the welfare entered employment standard but only five percent of the available funds will be used to award SDAs for exceeding the youth positive termination standard.)

Undistributed incentive funds are reserved for technical assistance to SDAs who are not eligible for the full award. However, since all SDAs have been eligible for incentives for the last two years and remedial technical assistance costs have been low, the undistributed funds have been rolled into the succeeding year's incentive funds each year as a matter of policy. For Program Year 1985 all SDAs were eligible for at least some incentive funds.

Measurable goals instead of performance standards are used for the service portion of the eight percent. A 40 percent entered employment rate is a goal (60% for participants). These measurable standards were determined through the use of the original youth goals in the performance standards for placement, from general experience for positive terminations, and because the goal was to help teen parents become more self sufficient. If the goals are not met technical assistance is provided. There are no financial incentives for those who meet or exceed the goals.

National Title II-A standards are used for the three percent program. These are used because Title II-A applies to older clients in the II A program. If the standards are not met, the service deliverer is not refunded or is reviewed closely and asked to submit a list of eligibles. The SDAs have been exceeding the goals. There are no financial incentives for those who do meet or exceed the standards.

### *Management Information Systems*

At the outset of JTPA the Maryland JTPA administration opted to institute a uniform, statewide, automated management information system based on a computer software program developed by Washington State specifically to manage information on employment and training programs. This software program was modified somewhat to meet Maryland's own needs.

To insure uniformity and to expedite the establishment of the system, the state purchased personal computers and other necessary hardware for each of its ten SDAs and other grant recipients and provided all necessary training and technical help required by the SDAs. The development and implementation of the system were paid for out of the six percent funds. Continuing costs are paid for with State JTPA general administrative five percent funds and, at the local level, with SDA administrative funds.

The system is decentralized in that the information is collected and stored on each SDA's own computer system. But the State has access to all data through an agreement whereby the SDAs submit computer tapes or disks containing all participant records to the State on a quarterly basis.

The State JTPA administration's monitoring and evaluation unit then merges these files to create a single data base which is used to monitor the progress of the SDA programs, to develop performance standards, to determine incentive awards, and to determine trends in service and performance for the State as a whole. The system is also used as the basis for drawing the sample for the state JTPA follow-up system.

For the implementation and continued improvements to the system, the state established a technical group composed of SDA management information specialists and state staff. This group continues to address technical issues regarding the system. The Monitoring and Evaluation unit staff continuously monitors the system, both on-site and through desk review, to insure the quality of the information produced by the system.

The State of Maryland has been conducting statewide follow-up of former JTPA participants to measure longer term impact of the local programs since July of 1984. One of the SDAs is under contract with the state to contact a stratified random sample of all participants six months after they have left the program.

The State JTPA Administration and the State Council support the development and use of labor market information for both program planning and individual career decision making.

The same forms as for the basic title II-A (78%) program are used for an eight percent participant reporting system; however, the system is operated by the Maryland State Department of Education (MSDE). The forms all come to the MSDE and are entered at the Department. The Maryland State Department of Education prepares and distributes standard reports which use common definitions. The eight percent information can be integrated with the SDA data. No evaluations and no follow-up studies of the eight percent program have been conducted. There is a planning committee in MSDE with the SDAs and LEAs to look into this.

The JTPA administrative entity enters data and integrates it from the three percent program into the overall data base, which makes it compatible with the system required of the SDAs for the basic title II-A (78%) program. No evaluations are conducted, however there is a grants review process and possible future evaluations.

### *Compliance and Fiscal Controls*

The State JTPA Administration monitors the performance and compliance of the SDAs and set-aside operators with the Act through a two stage process outlined in an extensive Field Instruction manual which serves as a monitoring guide for both state and local staff.



In the first level of monitoring, the state liaisons in the Monitoring and Evaluation Unit continuously reviews the timeliness, accuracy, and content of regular programmatic and financial reports of the SDAs and other major grant recipients. This "desk" monitoring is supplemented by regular visits to the field to assure that the systems are basically in place.

The second level of monitoring is conducted on a semi-annual basis and involves the use of monitoring teams which visit each SDA and other major grant recipients for a thorough review of all systems and procedures required by the Act and state policy. In the team monitoring, the State liaisons are assisted by fiscal and programmatic specialists who systematically review records, policies, and procedures.

Both the State Liaisons individually and the monitoring teams review such areas as the quality of record-keeping and reporting, services to significant segments, equitable provision of services, cash request and expenditure reports, financial and property management procedures, standard performance measures intake procedures, SDA and grant recipient procedures for monitoring their own contractors, nondiscrimination and grievance procedures, and miscellaneous JTPA program requirements.

Discrepancies found in any of these areas are noted in formal corrective action reports issued by the liaisons and monitoring teams with the requirement that the SDA or grant recipient take the appropriate action within a specified time period.

State officials indicated that most of the discrepancies have to do with procedural errors rather than substantive abuses and that these issues have always been resolved in a short period of time through a combination of technical assistance and the implied threat of withholding funds. The state also provides training for local staff on particular issues where there is a pattern of discrepancies among SDAs or grant recipients.

In addition to the desk reviews and the in-depth site visits, all SDAs and major grant recipients are required to have an outside financial audit of all receipts and expenditures at least every two years.

Most of the local government administrative entities handle this requirement by following the procedures of the federal Single Audit Act which covers all federal funds received by a government entity. In such cases the local government contracts with an independent auditing firm. In the case of non-governmental SDAs and grant recipients, the Department of Employment and Training contracts for the outside audit using JTPA general administrative (five percent) funds. According to state officials, there have been no questioned costs, let alone audit exceptions, in any of the audits of the SDAs and grant recipients conducted to date. There have been, however, a number of administrative findings calling for improvements in specific areas such record-keeping or reporting procedures.

Financial monitoring of the eight percent funds includes desk monitoring of reports, and on-site monitoring by the fiscal staff. On-site monitoring is conducted at least twice a year in addition to desk monitoring. Twelve counties a year are formally monitored. Typical corrective action procedures are followed when necessary.

Every six months fiscal specialists conduct financial on-site monitoring of the three percent funds, but the process is not systematic. The standard corrective action procedures are used in cases in which the actions are to be documented.



Audits are conducted under a single audit annually but these may or may not include the eight percent activities. The state will do audits of the three percent program unless it is already covered by the single audit.

### ***Training and Technical Assistance***

The Maryland technical assistance and staff development efforts are conducted primarily for SDA and major grantee staff and is provided at three levels:

1. **Technical assistance** provided by regular state staff. This is informal, provided on a continual basis as needed, and covers such areas as management information system issues, financial reporting, and development of the plan to be submitted to the State. Most of this technical assistance is conducted in person by the JTPA staff although statewide meetings on special technical issues of general interest are held. It is usually charged to general five percent administrative funds since it is considered part of the normal administrative functions of the State JTPA administration. However, if the assistance required is extensive the staff time may be charged to the six percent Technical Assistance fund.
2. **Short Term Staff Development Training**. This is conducted through meetings and training sessions sponsored either directly by the State JTPA administration or, on occasion through reimbursement of SDA staff who travel to regional or national training courses. The subjects include client specific issues (e.g. teen pregnancy, displaced homemaker programs) or general programmatic issues (e.g. performance standards, youth competencies, labor market information) and is generally paid for out of six percent Technical Assistance funds. This training generally lasts one to three days and will often involve the use of outside contractors.
3. **Long Term Staff Development**. The primary provider of this training is the Bradley Center for Employment and Training Research at the University of Maryland (Baltimore). This Center provides regular university courses for employment and training professionals, develops specialized shorter courses, and conducts research on employment and training issues. The Center has a variety of funding sources including JTPA Section 121 funds, JTPA six percent funds, Wagner-Peyser-ten percent, and Unemployment Insurance funds.

The Maryland training and technical assistance system is generally informal and responsive to needs as they arise, according to state JTPA staff. There is really no overall plan for training and technical assistance. In most cases the subjects to be covered originate with the SDA directors and staff themselves. In some cases state staff will identify an issue or concern to be addressed. Individual travel expenses and course costs are paid by the State as required.

State JTPA staff expressed some concern that, with the general uncertainty about the use of six percent funds and shortages of other funds, they have been unable to develop more in-depth training in areas such as evaluation and program design. They also indicated that the training of program operator staff such as employment counselors, job developers, and first line managers received considerably less priority than that of SDA staff.

Technical assistance and training for the eight percent program is provided with the coordination funds. Technical assistance is provided to three percent contractors on MIS and on other subjects, as needed.

### ***Communication***

The State places a high priority on open communications with the Service Delivery Areas. One of the primary means by which the state builds consensus within the system is through sponsoring quarterly retreats with the state's ten SDA directors, any PIC chairs who wish to attend, and State Council staff. These retreats are always held away from the office and most often last for more than a single day so that there is time for informal discussions in the evenings and between formal sessions.

The sessions themselves are loosely structured with the agenda being determined by current issues raised by either state or local staff. The issues discussed include consideration of recommendations of technical work groups composed of state and SDA staff, Council recommendations, state legislation, federal legislative and administrative requirements, and general planning and program issues.

Issues that arise between the quarterly meetings are handled either through special meetings or through the informal means of letters and phone calls. The State JTPA administration also maintains a staff of liaisons assigned to each SDA. The liaisons regularly attend Private Industry Council meetings and visit SDA offices and training sites. The liaisons are able to provide general technical assistance and to maintain communication between the State Administration and the SDAs, according to state officials.

When asked about any dissatisfaction expressed by SDAs regarding the State JTPA Administration, state officials said that some SDAs have indicated that they would like more direct guidance and clarity on how to deal with on local operational issues. As a matter of official policy the state avoids becoming involved in local decision making.

Nevertheless, in a national survey of Service Delivery Areas conducted in 1985, all Maryland SDAs expressed general satisfaction with the operations of the State JTPA administration. The open communication system established by the state and the state's willingness to respond to SDA concerns were cited as the primary reasons for the high level of SDA satisfaction.

## GEORGIA

### INTRODUCTION

#### *Socio-Economic Characteristics*

In 1980, the population of Georgia was 5,463,000. Between 1980 and 1985 the state's total population increased by 9.4 percent to almost 6,000,000, which places Georgia near the top of the list of fastest growing states in the nation. The national growth rate during this same period was 5.4 percent. A major portion of Georgia's population increase has been in the 25 to 44 year old age group. According to the Census Bureau, migration into the state accounted for about half of the total increase in Georgia's population. Given the concentration of job growth in the Atlanta area, it is not surprising that there has been a heavy migration of younger working-age people into Atlanta.

One result of the population growth is that the labor force is growing faster than the economy. The labor force to population ratio has steadily increased in Georgia since 1980, reaching a high of 48 percent in 1985. As of the end of PY 1985, the supply of labor still exceeded demand.

In 1984, a booming year for job growth, the average number of unemployed in Georgia was down 36,000 people for a total of 166,000. During 1985, which was a good job growth year, the unemployment rate was 6.5 percent. With slower growth in employment predicted for the next few years, it may be concluded that competition for jobs will increase. This situation will have a negative effect on those at a competitive disadvantage within the labor market, even in areas of high job growth.

Population growth, like job growth, is unevenly distributed across the state. Over 50 percent of the state's growth in population between 1980 and 1984 was concentrated in the seven counties of the Atlanta region. At the same time, a third of Georgia's counties either had no growth or lost population. Outside the Atlanta region, the number of unemployed persons increased 14 percent between 1984 and 1985, compared to 9.5 percent in the Atlanta region.

The proportion of economically disadvantaged population in Georgia is much higher than that for the nation despite the substantial growth in employment and income during recent years. In 1980, 23 percent of the population age 16 and older in Georgia was eligible to participate in JTPA-funded programs. Georgia also has a substantial percentage of working poor, that is, those who have jobs but do not earn enough to escape poverty. Based on 1980 Census data for persons with low incomes and eligible for JTPA-funded training, the incidence of poverty is greater for females, for those age 21 or less, for those age 55 and older and for all minorities.

Growth in income has been strong. Personal income grew by 12.9 percent in 1984, while the growth rate nationally was 10.4 percent. In 1985, income growth was still very good, increasing 9.7 percent in Georgia compared to 7.4 percent nationally. Healthy growth rates in personal income have led to a substantial closing of the gap in per capita income between Georgia and the nation. Georgia's 1980 per capita income of \$8,041 was 85 percent of that for the nation. By 1985, Georgia's per capita personal income had increased to \$12,043 or 91 percent of that for the nation.

Georgians have enjoyed substantial economic growth during recent years. Since 1980, employment has grown by 12.5 percent to a total of 2,678,000 jobs, compared to a national rate of 7.9 percent. The long term outlook is for growth in Georgia to continue at a rate somewhat higher than that for the nation. Recent Georgia Department of Labor data indicate that construction, wholesale trade, retail trade, service and durable goods manufacturing (transportation equipment) industries underwent a huge employment expansion between 1983 and 1985. Growth rates for these industries sectors have been about 50 percent greater than the state average. Other sectors (agriculture, mining, government, and non-durable goods manufacturing) have had little or no growth.

According to forecasts (Atlanta Federal Reserve Bank) employment in the manufacturing sector will stabilize, construction employment growth will slow, government employment will continue to show little growth, but the agriculture sector will recover slightly due to an improved international market situation and an easing of the farm credit crisis. In addition, the services sector will probably continue to grow significantly. According to employment projections (Georgia DOL), health services and business services will have the highest growth rates.

Most of the state's economic growth has been concentrated in the metropolitan Atlanta area, while other areas have experienced little growth and, in some cases, actual decline. The Atlanta metro region (four SDAs) accounted for 79 percent of the state's employment increase between 1984 and 1985. Of the 12 remaining SDAs, during this time, only four showed any significant growth; while two very rural SDAs suffered substantial employment declines during this time period. Overall, the non-Atlanta SDAs recorded a 1.1 percent increase in employment between 1984 and 1985 compared to a 6.8 percent increase for the Atlanta-region SDAs.

#### ***State JTPA Profile Summary***

PY 1985 Title II-A Allotment	\$36,253,423
PY 1985 5% Allotment	\$ 1,812,672
PY 1985 Number of SDAs	16
Number of Individuals Terminated (PY 1985)	21,515

#### ***JTPA ADMINISTRATIVE CONFIGURATION***

##### ***State JTPA Configuration***

The Georgia Department of Labor was designated by the governor as the entity responsible for state level administration of the Georgia JTPA. The JTPA Administration was originally housed in the State Department of Community Affairs because of some difficulties in the Department of Labor. When those were resolved, JTPA was moved into the Labor Department. The Department of Labor is headed by the Commissioner of Labor who is an independently elected official. The JTPA Director, who is an Assistant Commissioner, reports to the Commissioner of Labor and also consults with the governor's staff.

The Title II-A funds are assigned to the Job Training Division of the Department which is collateral with ES, UI, Administrative Services and Field Services Divisions. The State Job Training Division provides administrative support for the Council and three percent set-aside program activities. In PY 1985, the Title III program was administered by the Department of Community Affairs.



In PY 1985 and PY 1986, the Job Training Division was organized into a Director's Office and three sections (Planning and Evaluation, Recipient Services, and Financial and Administrative Services) which report to the Director. Overall administrative responsibility is located within the Director's Office. In addition, a variety of other functions are carried out by the Director's staff. These functions include: staff support to the State Council, policy development and resolution, coordination of public education activities which supplement local promotional efforts, coordination of the complaint resolution system, coordination of formal technical assistance efforts, management and budget, publications and serving as an intergovernmental liaison.

The Planning and Evaluation Section is responsible for the development of the GCSSP and the Annual Report, and the responsibility for a variety of information services, such as the statewide on-line MI. High priority has been placed on the development of additional information sources, access systems, tools and services which support the provision of information which is timely, cost-effective, comprehensible and relevant to decision-makers. These include: data analysis, planning information, an information clearinghouse, specialized databases, and data collection (surveys and other systematic forms of data collection). In addition, this section is responsible for implementation of the state's performance standard system and for participant follow up activities.

The Recipient Services Section serves as the central communications link between the Job Training Division and the other entities responsible for administering the statewide and local programs of the Georgia JTPA. In working with these programs, this section coordinates plan review and approval, provides technical assistance, and monitors program performance.

The Recipient Services Section is organized into two teams of four service representatives. Each representative is assigned to work with two or three SDAs. Senior representatives assist the service representatives, provide in-depth technical assistance and are assigned to the statewide programs (three percent, eight percent and Title IV-C). For each assignment, representatives are responsible for communication, technical assistance, monitoring and plan development and review. Recipient Services staff work closely with both the Financial and Administrative Services Section and the Planning and Evaluation Section. They take on the role of advocates for their SDAs to ensure that the local perspective is seen within the state's decision-making process.

The Financial and Administrative Services staff are responsible for compliance monitoring, financial monitoring, audits, pre-award surveys, grant and property management.

The total five percent allotment for PY 1986 was \$1,751,728. Available monies totaled \$1,905,005. There are no other resources available for providing administrative support for the SDAs. Administrative cost pooling is not used. The five percent funds generally have been sufficient to adequately carry out the responsibilities under the Act. However, the funds are not sufficient for coordination activities and research and demonstration projects. In addition, there is essentially a fixed workload, and while staff costs increase the funding level does not keep pace.

There were a total of 28 full-time-equivalents (full-time-equivalents) positions funded from five percent funds, and .5 full-time-equivalents funded from both the eight percent and the three percent set-aside programs and 1 full-time-equivalent funded from the six percent for a total of 30 staff in PY 1985. The most successful aspects of the state's management of JTPA program include support for, and building of, the local system which was a governor's priority. Of the state's SDAs, half had never administered an employment and training program before, although in some ways the new SDAs appear to be quite innovative.

### ***Set-Aside Program Management***

#### ***Three Percent Set-Aside***

Administrative responsibility for the three percent program is located in the Job Training Division of the Georgia Department of Labor. There are approximately one half (0.5) of a staff position assigned to the three percent program. In PY 1986, the Job Training Division funded .5 of a staff position out of the three percent set-aside.

This organizational arrangement was chosen because the previous arrangement, in the Office of Aging in the Human Resources Department administered the program from 1983 to June 1985 had resulted in very low expenditures (33 percent in TY 1983, 40 percent of availability in PY 1984 and 60 percent of availability in PY 1985). The state fully obligated the three percent funds for the first time in PY 1985 to 16 contractors while in PY 1984 funds were obligated to only 7 contractors (a lot of the funds were not obligated). The planning and contracting is now on the same cycle as the Title II-A program.

The funds are distributed to the SDAs using a formula based on relative number of people age 55 and older who are economically disadvantaged. The SDAs are all given the opportunity to receive three percent funds. They must apply for the funds and agree to meet performance goals. If an SDA does not apply, leaving unobligated funds, the funds are reallocated to additional projects which may be developed with other entities. The SDAs then subcontract for services normally with community-based organizations (CBOs) and local area aging agencies, however most service providers are the Title II-A contractors such as Vocational Technical schools and colleges. There are no in-kind resources available for the support of older worker activities.

Concurrent enrollment between three percent and basic title II-A (78%) program participants is allowed but not encouraged. The Job Training Division does encourage older workers to be in the same training settings as younger participants. There is no policy either against or supporting the provision of other educational services such as Adult Basic Education or Vocational Education. The SDAs determine the services to be delivered to participants. The major problems in successfully carrying out the Older Worker Set-aside program are recruitment problems in finding people and placement problems.

#### ***Eight Percent Set-Aside***

Responsibility for administration of the Education Coordination and Grants Program is located in the Department of Education (DOE). There is a separate staff (five full-time-equivalents), in the DOE Office of Vocational Education (OVER), assigned to the eight percent set-aside program. The OVER has two divisions plus the eight percent unit. The two divisions are secondary programs division organized by subject matter and the support division. There is a liaison with both the State

Board for Postsecondary Education (Vocational Technical schools) and the Board of Regents (Junior and Senior Colleges). During PY 1986, the equivalent of one half a staff position within the Job Training Division was funded with Education Coordination and Grants funds.

The matching funds for the eight percent programs are provided by the local institutions on a statewide basis through an full-time-equivalent formula of technical school teachers. The match is in-kind from state Vocational Education funds (facilities and personnel) and other DOE in-kind resources such as payroll, personnel, upper level management functions, fiscal services and grants management.

The State Council and the Job Training Division determine the general goals and policies of the eight percent program. The DOE policies apply to the specific contracting procedures. The eight percent administrative unit prepares an annual program implementation plan. The PICs indicate the types of training and the client mix to be served. The PICs have identified basic education and training in employability skills as the educational services most needed by local programs. The major priorities of the eight percent program therefore are to provide feeder programs such as remediation and pre-employment skills training to get eight percent participants ready for the JTPA basic title II-A (78%) activities, though vocational education is also provided. There is no priority of service for certain groups, but the state pledges over 90 percent participation by the economically disadvantaged target group. The rationale for these priorities is to stretch Title II-A dollars and to use the eight percent funds to provide the services which DOE provides best. Some vocational education projects have received joint funding from JTPA Title II A and the eight percent set-aside program. A number of participants have benefited from services provided by both sources. These may be sequential or concurrent rather than joint funded.

Services to participants under this program are provided through grants to local education agencies. Both cost reimbursable contracts and performance contracts are used. Proposals are submitted in response to a request for proposals (RFP) issued by the Department of Education. This RFP indicates the services identified by PICs as needed within their SDAs and stipulates that proposals must include the concurrence of the local PIC in order to be funded.

Eligible service providers will normally include such education agencies and institutions as local school boards and institutions under their jurisdiction, including comprehensive high schools and adult education centers, area vocational-technical schools, comprehensive and regional educational service agencies, institutions within the state university system, and Divisions of the Department of Human Resources, such as Vocational Rehabilitation, involved in providing training to special populations.

The coordination portion (20%) of the eight percent funds are used to support activities including the area coordinators system which uses a network of liaisons who each work with three or four PICs and DOE to work on coordination agreements. The DOE's area coordination staff provide technical assistance to SDA administrative entities, PICs and local educational agencies in planning, curriculum development, project implementation and monitoring, resource identification and other areas. In addition, the funds are used for administrative purposes and for innovative programs.



Efforts are made to incorporate eight percent funded activities into the SDAs Title II-A activities. Dual enrollment between the eight percent program and the SDA basic title II-A (78%) and Summer Youth programs has not been required. However, the inclusion of eight percent participants in the calculation of performance and performance standards was required until PY 1986. The Job Training Division changed that policy to create an opportunity for provision of basic education on a "no-fault basis." SDAs have had the option to keep eight percent program activities entirely separate if they wish, but generally they have preferred to use each funding source where it is most advantageous.

According to an Education official, the most successful aspects of the Education set-aside program are the linkages it provides with JTPA activities, especially the strong ties with the SDA activities, and the folding in of remediation activities into other programs. Since 1986, the programs are separate so the eight percent funds could be used to serve the high risk population. There will also be separate performance requirements.

### ***Ten Percent Set-Aside***

The Division of Employment Services, collateral with the Job Training Division in the Georgia DOL, provides administrative support and determines the general goals and policies for the ten percent program as well as the ES program. The entire division was 45 full time staff. There is less than one staff position assigned to the ten percent activities. This administrative arrangement was chosen by the governor to ensure local PIC involvement. There also is no separate budget at the local office level for the ten percent funds.

The total allotment for the ten percent program was \$1,571,958. The total amount is allocated for services to groups with special needs or for the costs associated with designing, operating and evaluating exemplary models for the delivery of those services routinely provided by the ES. These activities will be carried out pursuant to joint agreements between the ES and the appropriate PICs and chief elected officials.

The most successful aspect of this program, according to an Employment Services official, is local involvement because it increased PIC involvement in local ES office planning.

## **STATE POLICY MAKERS**

### ***State Job Training Coordinating Council***

In 1985, the Georgia Council known as the Governor's Advisory Council on Job Training Coordination, was composed of 20 voting members (six from the private sector) and 10 non-voting ex officio members representing state agencies who are appointed by the governor. Efforts are made to maintain representation from each congressional district. Roughly 70 percent of the Council members on average attend Council meetings.

The Council recommends to the governor the organization, allocation and other administrative policies regarding the incentive and technical assistance (six percent) funds; reviews staff recommendations and recommends to the governor approval of the plan for the eight percent activities; and reviews the plans for the three percent and Wagner Peyser ten percent set-aside programs, Section 121 activities, and the Title III programs.



The Council primarily discusses and acts on recommendations provided by the JTPA Administrative staff, although the Council occasionally develops its own recommendations with staff assistance.

Through exercise of the authority given it under JTPA, the Council, has had a major influence on the activities of non-JTPA programs. The Council provided comments on the Vocational Education plan and participated in an interagency planning group established by Vocational Education to develop a new planning process. The Council also has a strong impact in the Wagner Peyser Plan. The governor's views regarding JTPA issues, such as redesignation, are occasionally communicated to the Council, through the JTPA Director.

Successful Council actions include coordination between JTPA and vocational education, promotion of local autonomy, a change in definition to include the public assistance agency on the PICs and the completion of a December, 1983 follow-up study that indicated that the Georgia program was performing well. One result of the work with the welfare agency is that several PICs are experiencing much improved coordination and much more interest from the local welfare agency, although there has always been a high level of interest.

The Council members do not personally monitor the activities of the SDAs and the Set-Aside programs on a regular basis. However, Council committees do occasionally visit programs. The Council does a variety of general public relations activities to promote employment and training programs. For example, there is an 800 number hotline for clients for referrals. There is also a publicity campaign on UI checks, with Food Stamps, on posters and with human service organizations. Public Service Announcements are aimed at employers. Through a \$40,000 contract an "Invest in People" concept was developed. Annually, the Governor has proclaimed a Job Training Month.

Individual legislators have had some influence on the Council. They also helped with a bill exempting Summer YOUTH Employment Program (SYEP) income from welfare eligibility. The local members of the Council do not serve as SDA representatives, although several are members of PICs. While PIC Chairs are invited to attend all meetings, it is the SDA Association that is the primary vehicle for state/local communication. The Council meets in conjunction with the SDA Association two times a year.

The Council, in PY 1985 and part of PY 1986, worked primarily through committees including ones on evaluation, planning/coordination, and the interagency working committee. These committees met six times a year in concert with the full council.

The Job Training Division provides the primary staff support to the Council, although there is no separate staff for the Council. In-kind support is provided from members mostly to sponsor meetings. Occasionally there are other in-kind resources available to support Council activities.

### *State Legislature*

Special state legislation has been passed including several laws which affect the administration of JTPA. There is legislation that permits interstate agreements to

provide services across state lines for mutual labor markets. There is also legislation that exempts income from SYETP from the eligibility consideration for welfare. No state funds have been appropriated to supplement or complement JTPA activities. The state legislature is involved in providing oversight of JTPA activities through its state audit functions.

## **STATE MANAGEMENT PRACTICES**

### ***Policy and Planning***

The Governor has actively supported economic development and local control as key initiatives. The Governor was heavily involved in initially establishing the direction of the JTPA program. The Governor's staff keep informed and provide input to on-going policy issues. The Governor considers the JTPA program to be successful.

The JTPA goals statement provides broad planning guidance to the JTPA system and is not considered a major statement by the Governor on overall employment policy. It is not operationally oriented because the state does not want to dictate service priorities or equitable service levels to the SDAs. The Job Training Division does set standards and minimum youth requirements and monitors equitable service. However, the state does try to maximize local autonomy where possible, especially in the area of identifying local needs and determining program strategies. The Job Training Plans shape what happens. Progress toward the achievement of the goals is not really measured. Some attempt is made to measure the objectives, however, no action is taken if the goals are not being met.

The GCSSP, with its goal statements is developed internally, and reviewed and updated biannually with annual updates. The coordination criteria are developed based on an assessment of where coordination can promote effective service. While coordination criteria are general, whether an SDA is meeting the criteria can be monitored. The SDAs in PY 1985 were asked to provide statements of purpose for coordination and to describe the mechanisms they use to achieve coordination, rather than copies of coordination agreements.

There are no resources specifically set-aside to meet the objectives in the plan. The progress toward meeting the criteria outlined in the plan are regularly reviewed in monitoring, in a plan review format. There has been no action taken yet to address the criteria not being met.

The state has a formal rulemaking process for developing and promulgating administrative policies based on a philosophy of local autonomy and involvement in policy development through a review and comment period. It is mandatory for the SDAs to use the Policy and Procedures Manual which includes MIS. There is a 15 day review period for proposed changes and the system is responsive to comments. There is also a numbered series of memoranda which communicate essential information, provides interpretations and seeks review and comment on new policies. Administrative policies originate from US DOL, the State JTPA entity, the SDAs and occasionally from the State Council.

There have been no major differences between the State Administration and the SDA/PICs. However, some PICs did not like all the paperwork, but this was worked out. A State/Local Paperwork Reduction workgroup has addressed a number of these issues in PY 1986.

## ***Coordination***

During PY 1986 special emphasis was placed on the following coordination issues and concerns: participation in community development, literacy, communication with and support of local councils and elected officials, accessibility of training opportunities to the physically handicapped and others with special needs, responding to the economic challenges faced by disadvantaged women, promotion of joint planning efforts, overcoming barriers to effective coordination of services and strengthening local service teams.

## ***STATE QUALITY ASSURANCE FUNCTIONS***

### ***Performance Standards System***

The Planning and Evaluation Section is responsible for implementation of the state's performance standard system. Staff make recommendations regarding adjustment methodologies, further adjustments, and the incentive allocation process and review material relevant to performance standards contained in SDA job training plans. Service Delivery Areas and PICs provide input and the Council approves the recommendations.

Performance standard reports are prepared each month for each SDA. Estimated performance standards are re-estimated based on factor values for the year to date and performance is compared to the re-estimated standards. This process signals performance problems early in the year and helps SDAs develop progressively clearer pictures of what their performance standards will be at the end of the year.

The Job Training Division adjusts all standards. In PY 1985, an alternative adjustment methodology was developed. For PY 1986, the U.S. DOL methodology was used. SDA requests for adjustments beyond the model are included in their plan or are requested during the year. The request must be accompanied by justification. The requests are negotiated with the Council making the final decision. Generally requests have been granted throughout the program.

In PY 1986, two post-program measures beyond the seven federal standards were established by the State. Federal and state standards are treated the same in awarding incentive funds to SDAs. Incentives are provided to SDAs who do not meet all the standards. Specific remedial technical assistance is provided to SDAs which fail to meet performance standards. The State does have a policy on sanctions.

In administering performance standards an area of particular difficulty is the youth standards because they dictate the program mix. Another concern is the continuing problem of explaining the implications of performance standards.

Program Year 1986 will be the second full program year for which statewide participant follow-up data will be available. All terminees from Title II-A job-directed programs are contacted by telephone and interviewed thirteen weeks after they leave the program. Follow-up is carried out by Georgia State University.

The data are incorporated into the statewide MIS. Availability of follow-up data greatly enhances the program evaluation capability at both the state and local levels. The state has not conducted broader evaluations of SDA activities but would like to.

According to state officials, performance standards evolution has been a successful aspect of the management approach. During the first year, 7 of the 16 SDAs did not meet the standards, in PY 1985 all 16 met the standards and the numbers have been progressively higher. In addition, expenditure rates have gone up to between 84 percent in PY 1986, with four SDAs exceeding 90 percent expenditures.

Specific goals for the coordination activities of the eight percent program are defined through contractual arrangements for special research and coordination projects administered by the State DOE staff. The need for particular projects are determined by DOE and DCL administrators and described in the eight percent Program Implementation Plan.

Program goals and objectives for the service activities of the eight percent program vary among SDAs. For the participant services activities, the SDA basic title II-A (78%) performance standards were used until PY 1986. In PY 1986, the Governor's Advisory Council removed the stand-alone eight percent funded programs from the Title II-A performance standards. Service Delivery Areas and/or PICs are now required to establish local measurable standards for eight percent programs which enhance Title II-A activities through the provision of programs such as basic education, pre employment skills training and programs designed for hard-to-serve groups. These programs are tracked separately from other Title II-A activities in order to evaluate performance. If the standards are not met then the contractor will not be considered for refunding.

There are performance measures for the three percent participant service activities which are developed based on past experience. Service Delivery Areas can ask for a lower standard by providing justification. If the standards are not met after trying to fix the problems, the Job Training Division will work with the SDAs, which receive all the three percent funds, to improve performance. Performance has been quite good, with actual performance reported to be higher than Title II-A performance. While there are really no financial incentives for those who do meet or exceed the standards, the excess unallocated funds are given to the best performers.

### ***Management Information Systems***

The Georgia JTPA uses a statewide, on-line management information system to report information on SDA activities. Also included is user support in all aspects of the system and total maintenance of the computer equipment and software. The cost of the system is shared by the state and the SDAs, 60 percent of the costs have been paid from the five percent administrative funds with the SDAs paying the balance.

The statewide MIS relieves SDAs of the need to transfer extensive data to the state. Local access to the system, for such purposes as making funding decisions, is through personal computers, terminals and printers located in SDA administrative offices. The personal computers are primarily used in conjunction with a commercially manufactured software package that allows the SDAs to do their own



report generation and analysis either on the mainframe computer or by transferring data down to the personal computer level. SDA generated reports are supplemented by the production of monthly participant data reports for each program, SDA and project. The programming capability is available for the generation of information which is otherwise unavailable.

The MIS includes application data and records of participation and termination for all participants. It also includes follow-up data for those participants included in the statewide follow-up survey. Financial information is completely separate. It is mailed to the state office on the 20th working day after the end of the month. Reports are produced no later than 30 days after the close of the month.

The eight percent and the three percent participant reporting systems use the SDA system for Title II-A. All work is done through the SDAs. The service providers do self evaluation which is compiled into an annual report. There is no outside evaluation done of either the eight percent or the three percent programs.

The development of LMI is supported with five percent and six percent (\$10,000) funds. JTPA did support training for local staff in the development and use of local LMI through an outside contractor in FY 1984. The Labor Market Systems section, in the Georgia DOL, is the primary provider of LMI through its publications that are sent out routinely. In addition, there is a staff person who is a labor market analyst and provides technical assistance to SDAs, largely on an informal basis. The Job Training Division plans more workshops, is doing an annotated bibliography and serves as an information clearinghouse.

### *Compliance and Fiscal Controls*

On-site monitoring is conducted for SDA compliance with the Act and regulations other than financial compliance. This monitoring was conducted annually but is going to be conducted every two years involving financial compliance issues. All SDAs are monitored for the summer program, but the state is going to cut back to monitor the most at risk in 1987. Specific areas are monitored when problems occur. Programmatic monitoring is conducted for general performance and procedures and outcomes. The service representatives monitor the SDAs once every six weeks. A compliance guide, which was being revised when the survey was being conducted, is available to the SDAs. Corrective action is handled by a formal report to which the SDA must respond in 30 days. If the problem is serious, a follow-up on-site visit is made. If it is not serious, the service representatives check back with the SDA. The SDAs always respond.

The grant recipients are monitored for financial compliance once every two years or whenever there is a major change in the grant recipient administration. State staff conduct the monitoring. There is both a financial compliance and an audit guide for the SDAs. Follow-up visits are conducted to ensure that any deficiencies noted during monitoring visits are corrected. Financial monitoring of the three percent funds are part of the overall monitoring of the SDAs.

Financial monitoring of the eight percent funds includes monthly desk review of expenditures against the budget, and two on-site visits per year for affirmative action, grievances and facilities monitoring for example and for staff training. If corrective action is necessary, a corrective action plan is prepared as part of the written monitoring report. The ultimate action is the termination of the contract.

SDAs do an annual audit as required under the federal Single Audit Act. Each SDA selects a contractor to conduct the audit the costs of the audit are borne by the SDA out of the 15 percent administrative funds. All audits of the eight percent program are done through a single audit operated by the DOE and conducted by the State Auditor. Audit resolutions are achieved by asking the local system to reimburse the funds, however this procedure had not been needed as of 1986

The total state availability of the basic title II-A (78%) funds for PY 1985 was \$42,420,484. The expenditure rate was 81 percent (\$33,974,308). In PY 1984 \$38,374,104 was available and \$27,229,570 or 71 percent was spent.

The state, at the time of the survey, was working on a reallocation policy, previously there was voluntary reallocation of funds. Unspent funds are monitored very closely. Most of the excess funds result from and were carried in from the 9-month transition period.

### ***Training and Technical Assistance***

All units within the Job Training Division are involved in the provision of technical assistance to the SDAs and the other grant recipients. However, formal technical assistance efforts are coordinated by staff (1 person) in the Director's Office. In the transition year, PY 1984, and PY 1985, the staff was supported with five percent funds; in PY 1986 the six percent funds were used. Preventative as well as remedial technical assistance is provided with the six percent funds and the plans are to continue doing so. And also as part of the six percent activities, in-service or preservice training for the SDA staff is provided.

State staff are the primary providers of technical assistance. Specialized staff provide technical assistance to SDAs in areas such as financial management, MIS, etc. However, a variety of public (federal and state) and private independent consultants are used to provide technical assistance in labor market information, management information system, equal employment opportunity, and Service Delivery Area staff provide some technical assistance as well.

Technical assistance is provided in meetings and conferences, publications, on-site visits and by other means. Technical assistance activities include continuing support of and participation in the Georgia Association of SDAs, the Southeast Employment and Training Association and the National Job Training Partnership; coordination of technical assistance to SDAs which do not exceed their performance standards; identification of TA needs which cannot be met by Division staff; procurement of the services of TA providers and coordination of arrangements for meetings, conferences and workshops. The areas for TA, including preventative TA, are chosen by state staff and at the request of the SDAs.

A JTPA official indicated that they were satisfied with the level of TA provided if the six percent funds can continue to be used for preventative TA. Steps such as a process to identify TA needs and provide remedial TA could be taken to improve the situation, but these have not been needed.

Each eight percent program service provider is trained in the all aspects of the procedures manual including recordkeeping, requisition, etc. There is a backup with the state staff specialists. Also there are quarterly service provider (regional) meetings for the discussion of issues. In addition, there is an annual two and a half day in-service training session for eight percent service providers, who usually

number 50 to 60 people. The participants can be reimbursed for their expenses. Service providers themselves are also used for training purposes. An example of the type of training provided is that on a counselor's handbook that has been developed. The funding for the training comes out of the individual contracts. Some in-kind resources are contributed by DOE to the annual meeting costs. There is an eight percent program consortium for southeastern states which meets about three times a year to share information among the various states.

Programmatic technical assistance is provided to the SDAs, by the state representatives. Technical assistance for the three percent program is provided to the SDAs as part of the overall technical assistance package. However, there is not much training provided to the three percent service providers.

### *Communication*

In general, the relationship between the state and the SDA/PICs is very good. The state has made this a strong priority. The opinions of the SDAs are solicited on a regular basis through the SDA Association which holds four meetings a year (2 of which are general in nature and 2 of a specialized nature). There are regular meetings with the SDA Directors. State support of the SDA Association has been considered as a technical assistance activity. The PICs each have a vote in the Association. The PIC chairs are invited to Council meetings, the annual planning meeting and the annual meeting for PIC members for orientation for all PIC members. There are other regular meetings with other SDA staff for specialized purposes including an MIS users group and financial groups.

The state staff visit the SDAs every six weeks. From each visit there is a written report and a response. Other written correspondence includes numbered directives of instructions and announcements. A two to three page MIS report is provided to every SDA and PIC every month so SDAs can compare themselves with others on performance standards.

## ILLINOIS

### INTRODUCTION

#### *Socioeconomic Characteristics*

In 1985, the total population of the state of Illinois was an estimated 11,535,000, with 82.3 percent living in metropolitan areas. Illinois has one of the highest state per capita income in the nation -- \$10,299, in 1983. Average hourly earnings in 1985 were \$10.37 for production workers in the manufacturing industries.

The state is often described as a microcosm of the nation as a whole. "There are three Illinois's - the northern manufacturing tier, an agricultural area, and a depressed rural southside." In 1985, there were 5.7 million persons participating in the labor force. More than 60 percent of the Illinois labor force, 3.7 million workers, is centered in the Chicago metropolitan area. There were more workers, 25 percent of the labor force, employed in the wholesale and retail trade industry than in any other. Twenty-three percent of the work force was employed in the service industry and 21 percent in the manufacturing industry. According to the Illinois Department of Commerce and Community Affairs, while the Illinois manufacturing wage rate exceeds the U.S. average by \$0.80 per hour, productivity in Illinois measured in terms of value added per man hour exceeds the U.S. average by \$2.97 per hour.

The total civilian labor force in 1985 numbered 5,673,000 with employment totaling 5,160,000. The unemployment rate was 9.0 percent in 1985.

#### *State JTPA Profile Summary*

PY 1985 Title II-A Allotment	\$103,491,557
PY 1985 5% Allotment	\$ 5,174,578
Number of SDAs	26
Number of Individuals Terminated (PY 1985)	49,958

### JTPA ADMINISTRATIVE CONFIGURATION

#### *State JTPA Configurations*

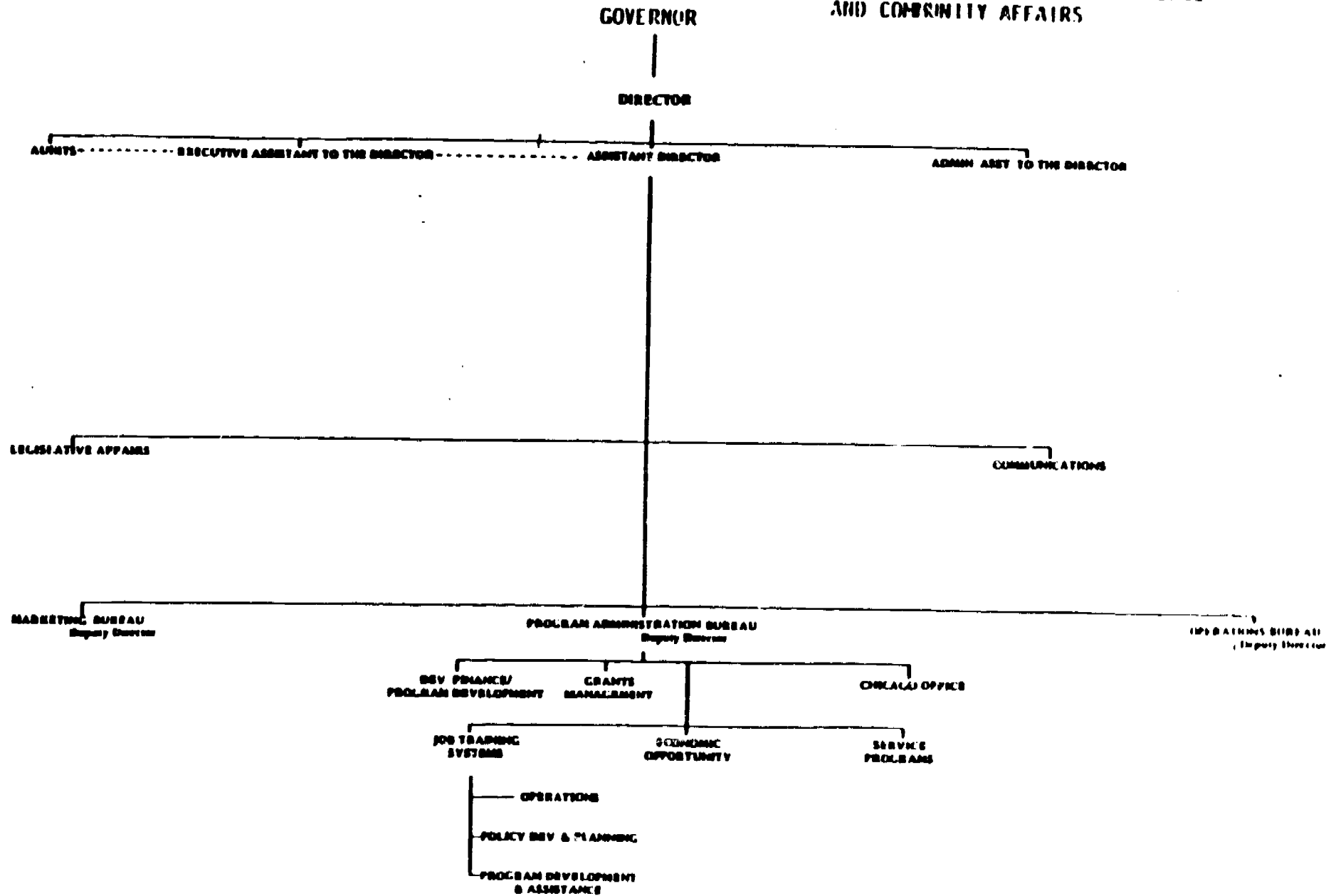
The Governor of Illinois has delegated the responsibility for state administration of programs under the Job Training Partnership Act (JTPA) to the Illinois Department of Commerce and Community Affairs (DCCA). The Job Training Programs Division within DCCA performs almost all direct JTPA administrative functions. It is part of the Program Administration Bureau; one of three reporting to the director of the department. The chain of command is outlined in the organizational chart.

The Job Training Programs Division provides all direct administrative support for the basic Title II-A (78%) program, the older workers (three percent set-aside) programs, an Title III, the dislocated workers program. In addition, this division staffs the State Job Training Coordinating Council.

The Job Training Programs Division is divided into three offices: Program Development and Assessment, Grants Management/Operations, and Policy Development and Planning. The Program Development and Assessment office is responsible for performance standards and assessment and subgrant development.



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Responsibilities under development of performance standards and assessment encompasses developing performance standards; assessing performance against standards; assessing the education coordination grants (8 percent set-aside) and older workers program (3 percent set-aside); developing policies regarding six percent incentives, program eligibility and post-program; and designing and overseeing the management information system. Responsibilities under subgrant development involve, among others, the following: project development; development, issue and review of request-for-proposal (RFP); coordination of Title III and the Trade Adjustment Assistance (TAA) program; JTPA state rules and amendments; and development and management of performance based contracts.

The Grants Management/Operations office is responsible for fiscal monitoring and assistance, internal grants management, program financial analysis, program management and assistance, and technical assistance. This office develops monitoring strategies and monitors grantees for matters related to financial and non-financial management and grant compliance. The Grants Management/Operations office is also responsible for preparing final grants and contract modifications, preparing management reports detailing grant obligations and providing follow-up to corrective action required through fiscal monitoring of grantees. The office is also responsible for developing monitoring guides; developing and implementing various types of technical assistance activities for JTPA grantees, and for financial planning for the Bureau of Program Administration.

The Policy Development and Planning office is responsible for program design and coordination, plan review and Private Industry Council certification. In conjunction with the Illinois Job Training Coordinating Council (IJTCC). This office is responsible for establishing state JTPA goals and objectives, developing JTPA coordination criteria, developing the Governor's Coordination and Special Services Plans (GSSP). It also provides staff for (IJTCCO). The Policy Development and Planning office also develops JTPA planning guidelines for Service Delivery Areas (SDAs), reviews and approves SDA plans and modifications, and reviews and certifies Private Industry Councils (PICs).

During PY 1985 the state of Illinois received a total of \$159,146,521 in JTPA funds. This figure represents \$8.3 million less than the PY 1984 allotment. Of the total PY 1985 allotment, approximately \$103.5 million were for Title II-A activities and within that amount almost \$5.2 million were for state administration under the five percent set-aside.

### *S. Aside Program Management*

#### *Three Percent Set-Aside*

As previously mentioned, the Job Training Programs Division is responsible for the administration of the the Older Individuals Program. According to state officials, this organizational arrangement was chosen to insure integration of the three percent funds into the overall JTPA program. An equivalent of three full-time staff perform all the administrative activities associated with management of the older individuals program. The State Job Training Coordinating Council is involved in the development of strategies and policies for the use of three percent set-aside program resources.

During PY 1985, the State of Illinois received \$3.1 million under the Older Individuals program. The state retained three percent of the older individuals program funds for direct program administration activities and allocates the rest to

SDAs through a formula. In addition to the portion for administrative activities, in Program Year 1985, the state reserved \$150,000 for other activities such as demonstration projects. Two-thirds of the three percent funds distributed to SDAs are allocated based on the number of persons in each SDA age 55 and over who are below the official poverty line and one-third of the funds are allocated based on annual average unemployment rate for the SDA. Service Delivery Areas must apply for the funds and meet certain minimum standards such as evidence of coordination with the Area Agency on Aging and the Senior Community Employment Service program. The application must also include a description of appropriate coordination efforts and agreements at the local level. All but one of the State's 26 SDAs submitted applications and received funds.

Unspent funds at the end of a program year are subject to reallocation. At the beginning of PY 1985, those SDAs which expended 75 percent of their PY 1984 funds and served participants within 15 percent of plan were allowed to retain all of their unexpended funds. Those SDAs which expended less than 75 percent of their PY 1984 funds were allowed to retain, at a minimum, half of their unexpended funds. Recaptured funds were subgranted via performance-based contract to agencies with demonstrated experience in operating programs for older individuals.

Three percent programs are included as part of the regular Title II-A financial and grant compliance monitoring. Financial compliance monitoring visits are conducted once a year with monthly reviews for cash flow. Monitoring visits for non-financial compliance are also conducted once a year.

By PY 1986, SDAs were required to fully integrate activities funded under the older individuals program in the two-year local job training plan. Service Delivery Areas are required to submit a separate operational plan for the older individuals program. Although there are no performance standards requirements under the three percent program, SDAs must indicate in the two-year local job training plan what performance measures are to be used to evaluate the effectiveness of the local older individuals program. Failure to address the three percent program planning requirements adequately could result in the disapproval of the two-year local job training plan which would jeopardize the receipt of other Title II-A and Title II-B funds.

Policy changes were implemented during PY 1985 as a result of concerns about under enrollment in the Older Individual Program. Social security income was excluded from eligibility criteria. A second policy change was made to consider individuals over 55 years of age as a family of one for income eligibility purposes. In addition, the Job Training Programs Division commissioned a study to determine why the program was performing below expectations and to submit suggestions on how to improve performance. Results of the study will be available by the end of 1987.

### ***Eight Percent Set-Aside***

In Illinois two state educational agencies share responsibilities for the Education Coordination and Grants Program: the Illinois State Board of Education, Division of Adult, Vocational and Technical Education and the Illinois Community College Board. The former receives 75 percent of the resources available and the latter receives 25 percent. Each educational agency may allocate 20 percent of its funds to facilitate the coordination of education and training services for eligible participants and grant at least 80 percent to provide services to participants. During PY 1985, approximately \$8.3 million were earmarked for the State Education Coordination and Grants Program.

According to an official with the Illinois Community College Board, the governor chose this administrative arrangement for the education set-aside program as a way of strengthening the state's community college system. According to the Board official the arrangement also works to the benefit of the Employment and Training system because it gets community colleges to work with the SDAs.

Uses of the eight percent set-aside funds are planned and implemented with the direct involvement of the Illinois Job Training Coordinating Council (IJTCC). The Retraining for Employment Committee of the State Council has primary responsibility for reviewing and approving all proposed activities and corresponding funding levels under the eight percent program. The IJTCC and its Retraining for Employment Committee review the activities implemented under the education coordination program on a quarterly basis and make policy recommendations and propose changes resulting from the performance reviews.

The state JTPA office annually monitors a randomly selected sample of eight percent sub-grantees. In addition, all sub-grantees are monitored by either the Illinois Community College Board or by the Illinois State Board of Education for financial and grant compliance.

In Illinois, eight percent program resources have been used to supplement some of the governor's initiatives and programs. For example, activities sponsored by the JTPA literacy/adult educational effort have been coordinated with the governor's Literacy Initiative. For example, activities funded under eight percent in the areas of literacy/adult education have been in response to the governor's Education for Employment Initiative. In addition, some of the activities funded under the education coordination program have supplemented the governor's overall economic development program. Eight percent resources have been used to fund on-the-job training and instructional job training programs for new employees of expanding or relocated businesses. Some of these funds also have been used to assist communities in Enterprise Zones to train individuals dislocated from employment.

Education and coordination program funds are distributed in three ways: through competitive requests-for-proposal, through negotiated continuation of existing programs that are successful, and through formula to the Service Delivery Areas. The state sets aside a portion of the eight percent funds for SDAs to use in a variety of activities that fill educational gaps in the regular Title II-A programs. At the end of the year, unspent funds in excess of 10 percent of the total dollars available during that particular year are recaptured. At the end of PY 1985, approximately \$2.5 million were re-allocated among the eight percent program grantees.

Although no specific performance standards have been established for the overall eight percent program, the two administrative entities define specific objectives for each of the activities funded. For the most part these objectives are not spelled out in a numerical way. The objectives are related to positive educational outcomes and to employment related results. Positive educational outcomes include increase in grade point average, attainment of a high school diploma or equivalency (GED), and improvement in school attendance. Employment related results include successful participation in cooperative work experience, successful enrollment in training programs, and entered employment.

### **Ten Percent Set-Aside**

In Illinois, the Department of Employment Security administers the ten percent Wagner-Peyser set-aside program. Of the \$3.5 million PY 1985 allotment, approximately 81 percent of the funds were used for service to groups with special needs and 19 percent for exemplary programs.



## **STATE POLICY MAKERS**

### ***State Job Training Coordinating Council***

The Illinois Council plays an active role in the implementation and success of JTPA programs throughout the state. The council is composed of 45 members representing local elected officials, the private sector, organized labor, the general public, the eligible population, state department heads, and Illinois General Assembly representatives. Council members may designate a voting representative to serve in their stead. The full council meets every other month, with the executive committee meeting in months when the full council does not meet. The governor addresses the council every two years and has a person assigned in his staff to serve as a liaison with the council. In addition to full council meetings, the designated committees usually meet every month.

Although priorities are identified and decisions are made by the full membership, the council works primarily through five committees (excluding the executive committee). The primary function of the Legislative Committee is to address legislative issues which affect the broad spectrum of employment and training services, delivery mechanisms, and economic development. The Private Sector Initiatives committee is responsible for developing recommendations on ways to enhance linkages between the public and private sectors in the provision of employment and training programs and in economic development activities. This committee coordinates council activities with PICs and state and local agencies involved in economic development-related activities.

The Program Review Committee fosters coordinated planning and programming among employment and training service deliverers, job exchange service deliverers, and educational service deliverers. The committee recommends certification of SDA plans, reviews the operation of SDA programs; coordinates the review of plans of state agencies providing employment and training and related services; reviews research on unemployment, underemployment and poverty; and identifies those groups to be considered target populations in need.

The Retraining for Employment Committee develops policy recommendations for, makes specific funding recommendations for, and participates in the review of projects funded with Dislocated Workers program funds, Older Individuals program funds, and State Education Coordination and Grants program funds.

The Technical Advisory Committee is responsible for making recommendations to improve employment and training data systems in order to improve state and local planning, resource allocation, and program operation. Although not by design, all committee chairpersons are local representatives with three of the five representing the private sector.

The annual budget of the State Council to cover member travel expenses is approximately \$50,000. Staff for the council is provided by the state JTPA administrative office. There are 11 full-time equivalent staff supporting the council. According to council staff, this organizational arrangement was selected to give the council a day to day presence in JTPA operations.

Because JTPA is on a two year planning cycle, the Governor's goals and objectives are reviewed and updated biannually with outside views solicited. Local plans must contain a description of how they will comply with the governor's goals. The Governor's Coordination and Special Services Plan (GCSSP) is formally reviewed and updated at least annually by the Council when actual performance figures are available. The plan is also reviewed and updated throughout the year if special modifications are needed. Outside views are provided through public hearings held by the DCAA. The Employment and Economic Development sub-cabinet also comments on GCSSP. Public hearings have been instrumental in establishing goals and objectives for the education coordination and grants program.

The council has taken a leadership role in the development of JTPA policies and the establishment of priorities. For example, the state re-allocation policy for the basic Title II-A and the older individuals programs was initiated by the council.

### *State Legislature*

The Illinois legislature has taken actions that affect policies and administration of JTPA. The state legislature has four committees that oversee JTPA operations in the state. The most influential is the Joint Committee on Administrative Rules which has oversight of state rules and regulations. According to a DCCA official, the oversight has the effect of making JTPA administration more specific in its rule-making than it would otherwise be. This forces the state JTPA office to work closely with the SDAs. A rule-making process takes a 120-day and provides for response and comment.

## **STATE MANAGEMENT PRACTICES**

### *Policy and Planning*

Policies affecting JTPA programs are orchestrated among the governor, the state legislature, the SJTCC, and the state JTPA administrative office. The Governor frequently disseminates information about JTPA programs to different audiences, including prospective employers. The Governor's staff have provided strong leadership in the promotion of good relationships between the Department of Commerce and Community Affairs and the Service Delivery Areas. In addition, the governor has played a role in determining what special populations should be served under JTPA programs.

Although the state JTPA office has the final authority for developing policy, all policies are developed in collaboration with the State Job Training Coordinating Council. As previously mentioned, some council committees have specific responsibilities over policy development for particular JTPA programs.

In addition to the planned performance standards, specific level of services for substantial segments and other groups targeted by the Act are planned for each SDA. These groups include females, youth, older individuals, blacks, Hispanics, other minorities, dropouts, and WIN registrants. Service Delivery Areas are evaluated by comparing actual performance to planned enrollment and termination levels.

## ***Coordination***

According to the Governor's Coordination and Special Services Plan, the development of the coordination criteria for Illinois has been a group effort. "It was the department's belief that consensus among those who would be ultimately responsible for ensuring that coordination took place was critical to the development of the required criteria." The Program Review Committee of the job training coordinating council includes representatives of many of the state and local agencies with a direct interest in employment and training and human resource development. This committee has provided the leadership in development of coordination criteria.

The coordination criteria for the transition year, PY 1984, and PY 1985 focused on the development of inventories of all training and related service providers in the SDAs and the negotiation of formal written coordination agreements with state agencies which serve individuals either with employment barriers or depend upon or at-risk of becoming dependent upon the state for income maintenance. Coordination criteria for program years 1986 and 1987 focus on further refining a system for integrating the delivery of appropriate supportive services to clients and a system for assessing the adequacy of coordination efforts.

To formalize the process of coordinating activities, the PY 1986 and PY 1987 coordination criteria center around the requirement that JTPA grantees negotiate written coordination agreements with other members of the employment and training community. Specifically, Title II-A and Title II-B administrative entities must have at a minimum written coordination agreements with the following state departments: Public Aid, Corrections, Rehabilitation Services, Children and Family Services, and Employment Security. Administrative entities which manage the older individuals program must also have written coordination agreements with their respective Area Agencies on Aging. Because Title III programs are not necessarily administered by the Title II-A grantees, dislocated worker program operators are required to also have formal coordination agreements with all Title II-A administrative entities in their geographic service areas.

Since one of the major goals of the governor is economic development, special effort has been put in coordination of JTPA activities with economic development activities. This special coordination effort takes place at the state and local levels. The coordination effort at the state level is facilitated by the fact that the state JTPA office is located within the Illinois Department of Commerce and Community Affairs which is the state agency in charge of promoting economic development.

## ***STATE QUALITY ASSURANCE FUNCTIONS***

### ***Performance Standards***

In Illinois, policies regarding performance and the use of six percent funds have been developed with the aid and advice of the Illinois Association of Employment and Training Directors and the Illinois Job Training Coordinating Council. The performance standards system in Illinois incorporates all the seven performance standards developed by the U.S. Department of Labor. In addition, the state has adopted the adjustment models recommended by DOL. During the development of the state's performance standards system a study was undertaken to determine if SDAs would be penalized for marginal poor performance which it may be attributed to limitations within the adjustment models. As a result of this study, Illinois chose to adopt the tolerance limits established by DOL for each of the seven performance standards. Performance within the tolerance limits are considered as meeting the standard.



The state policy does not allow adjustments beyond the models. According to the Governor's Coordination and Special Services Plan, this policy was established because, "First, parameter bands are designed to account for all but the most extreme circumstances so that adjustments are not needed. Second, the addition of parameter bands will result in a eligibility of an SDA for incentive grants. Consequently, an adjustment for one SDA might unfairly impact on the chances for other SDAs to share in the distribution of bonuses."

For the purpose of awarding incentive grants and determining the need for corrective technical assistance, performance standards have been divided into primary and secondary type of standards. Primary performance standards include adult entered employment rate and cost per adult entered employment. Secondary performance standards include adult average wage at placement, adult welfare entered employment rate, and youth cost per positive termination. Service Delivery Areas have the option of selecting youth positive termination or youth entered employment rate as a third primary performance standard. In order to qualify for incentive grants, an SDA must meet all three primary standards and two of the secondary standards.

Service Delivery Areas have been meeting their standards; only one SDA failed to meet a performance standard in PY 1985. According to state officials, this SDA improved quick and has been performing in a fully acceptable way.

During PY 1984 and PY 1985 six percent funds were used for incentive grants, technical assistance, and development and operation of the state's management information system. Of the \$6.2 million dollars received during PY 1985 by the state for the six percent program, \$3.1 million, were used for incentive grants and corrective technical assistance, \$200,000 were used for preventive technical assistance and \$2.9 million were used for MIS development and operation. During PY 1986, 75 percent of the six percent funds were used for incentive grants and 25 percent for preventive and corrective technical assistance. Funds earmarked for technical assistance but not used during that program year are carried over and reserved for incentive grants in the following program year.

### ***Management Information System***

Since April, 1985, Illinois has had a centralized state-wide automated management information system for the reporting of all JTPAs titles. Eight percent and three percent set-aside service providers are also tied into the system. The on-line system has a component designed to capture information required on the federal Annuals Status Report (JASR) and additional information such as eligibility and characteristics of enrollees. The state JTPA office has access to individual record data for all JTPA participants and applicants.

Financial management and outcome performance information is captured through a different component of the automated system. This parallel component captures direct subgrantee financial information used to support cash draw and collect accrued expenditures.

The annual cost of \$2.9 million to operate the management information system during PY 1985 was paid for with six percent funds. By FY 1986 Illinois no longer used six percent funds to support MIS activities. To cover MIS costs the state has developed several strategies: establishment of user fees, cost reductions in MIS, redistribution of other funds, and reductions to state administrative costs.



Illinois officials feel very proud of their management information system which the Job Training Programs Division manager described as. "the best complete multi-functional MIS system." Built as a management system as well as a tracker of participant funds, this MIS is valuable enough to SDAs that they are willing to pay the user fees.

### ***Compliance and Fiscal Controls***

The Job Training Programs Division monitors SDAs for financial and grant compliance once a year. The monitoring visits are conducted by in-house professionals including accounting staff. At the conclusion of the site-visit, a report is issued identifying findings with required clear corrective actions, if necessary. If there are disagreements, SDA and state JTPA office staff meet to work out the differences. According to the Job Training Programs Division manager, disagreements are rare and none has persisted beyond the conference between SDA and state JTPA office staff. In addition to monitoring visits, the Job Training Programs Division conducts monthly desk cash management monitoring. The desk and site-visit monitorings include all the JTPA resources for which the Job Training Programs Division has primary administrative responsibility: the basic Title II-A program, the three percent set-aside program, Title III, and other special projects, when applicable.

As previously mentioned, the state JTPA office annually monitors for financial and contract compliance both eight percent set-aside grantees and a randomly selected sample of sub-grantees.

All Service Delivery Areas and major grant recipients are required to have an annual outside financial audit. Most local governments fulfill this requirement under the federal Single Audit Act. If an SDA is not under a single audit, the state JTPA office assumes the costs of the audit otherwise the costs are assumed by the local government.

The Job Training Programs Division has published a compliance guide and an audit guide for reporting on direct sub-grants. The audit manual outlines accounting procedures and financial compliance requirements. The Division staff also conduct financial management workshops for SDAs staff twice a year. The subjects of these workshops are selected to respond to specific requests from SDAs.

### ***Technical Assistance and Training***

The Illinois state JTPA office provides preventative and remedial technical assistance to SDAs and eight percent funds grantees. Some six percent funds are used for technical assistance; but, for the most part, five percent administrative funds are used to pay for these activities. Recently, a unit of four full-time equivalent staff was created and specifically funded to provide and coordinate technical assistance activities. Technical assistance is provided by DCCA staff, SDA staff, and outside consultants. Approximately \$1 million a year is available for technical assistance.

Technical assistance is provided through written materials, individual consultations, workshops, and conferences. In addition to several technical assistance guides (TAGs), there is a weekly information letter to disseminate information to the SDAs. There are monthly on-site visits to service delivery areas. Meetings or conferences with SDA staff are held about every other month. Areas covered under technical assistance activities include performance standards, monitoring assistance, state and federal policy, fiscal management, cost allocation,

recruitment, relationship between PIC and grant recipient and administrative entities, planning strategies, and OJT development. These topics are determined by state JTPA staff and from suggestions by SDA staff and PIC members. Length of training ranges from one and a half days to three days with the average being two days.

In addition to SDA technical assistance, the state JTPA office provides staff development for its employees. State staff attend a three to four hour session twice a year. The topics of the sessions are JTPA specific. These sessions are in a classroom setting and include a test at the end of the session. Staff must pass the test or repeat the course.

Six percent funds have also been used to sponsor labor market information projects. For example, during the transition year, \$150,000 were used by the Governor's Office of Planning to coordinate the development of a comprehensive labor market and occupational supply and demand system. It also provided assistance to state agencies, JTPA administrative entities, and other organizations to access and use labor market information for planning, standardize administrative records and survey data sources, and reduce survey burdens on employers. Further, \$250,000 of the PY 1984 six percent funds were used by the Illinois Occupational Information Coordinating Committee to design, develop, and implement an automated Occupational Information System (OIS). By interfacing with other existing systems within the state, OIS projected occupational employment demand data through the creation of units of analysis (clusters) which relate programs and occupations. In addition, as provided for in JTPA Section 121 (c)(8) five percent administrative funds are used by the JTPA office for the development and provision of information regarding economic, industrial, and labor market conditions. This information is provided on a state and local area basis, to SDAs and other JTPA grantees.

### *Communication*

The state JTPA administrative office, Service Delivery Areas, and Private Industry Councils maintain a close relationship. The local areas are represented in the SJTCC. Service Delivery Area directors and PIC chairs are invited to all state job training council meetings. In addition, both SDA and Dislocated Worker Program directors have formal associations. Staff from the state JTPA office attend meetings sponsored by these organizations. Further, these meetings are sometime used by the state JTPA office to disseminate information and provide technical assistance. When developing particular state JTPA policies opinions from these associations are solicited.

In addition to these meetings and the annual two-day meeting with all PIC chairs, the Operations staff of the Job Training Division attends every PIC meeting and most committee meetings of the 26 SDAs. The state JTPA staff also conducts round-table discussions with SDA staff for specialized purposes including meetings on specific technical subjects for SDA technical staff.

## ***SECTION II - MAIL SURVEY RESULTS***

## **JTPA ADMINISTRATIVE CONFIGURATION**

### **State JTPA Configuration**

Governors have delegated the administration of programs under the Job Training Partnership Act (JTPA) to different organizational units within state government. Table 1 provides summary information on which state agencies are responsible for JTPA administration in both the seven case-study states and the other 38 states responding to the mail survey. The State Department of Labor is responsible for JTPA administration with one-third of the states. Within the remaining states, administrative responsibility is allocated fairly evenly among governors' offices and state agencies responsible for aspects of employment, training and economic development activities. Only four states among those for whom information was obtained placed JTPA administrative offices within the Department of Human Services. The designation of a state unit as administrator of JTPA programs does not seem to be related to quantitative factors such as size of the JTPA grant.

Table 1: State Agency Responsible for JTPA

<u>State Agency</u>	<u>Number of States</u>	
	Survey	Case-Study
Department of Labor	14	2
Department of Economic Development/ Community Affairs	6	1
Employment Service	6	-
Department of Employment and Training	6	3
Department of Human Services	3	1
Governor's Office	8	-
	38	7

In three of the case-study states (Idaho, Maryland and Vermont), the state JTPA administrative office is located in the department in charge of employment and training. In Georgia and Nebraska, the JTPA office is within the Department of Labor. In Arizona, the JTPA office is part of the Department of Economic Security, an umbrella agency for all human service programs. In Illinois, the state JTPA office is part of the Department of Commerce and Community Affairs, the state agency which oversees a wide range of economic development programs.

The case-study states illustrate that allocation of program responsibility differ even within state agency structures. In Nebraska, Vermont, and Georgia the JTPA and other employment-related programs are administered by separate divisions answering to the department administrator. In Maryland and Idaho, responsibilities are organized functionally rather than programmatically. In this state, the JTPA and employment service programs are administered jointly under different divisions, each of which performs specific management functions for both programs.



The experience of two of the case-study states suggests that political changes also affect the selection of which state unit will administer the JTPA programs. In Maryland, two reorganizations have taken place. Employment and training activities under CETA were administered by an umbrella organization overseeing welfare and employment and training programs. After JTPA was signed into law, the Maryland Employment and Training Department was created and given responsibility for JTPA, employment service and unemployment insurance programs. After a new governor was elected in 1986, the employment and training agency was combined with the state agency in charge of economic development.

In Georgia, the original designation of State Department of Community Affairs as the JTPA administering agency and the subsequent move of that function into the State Department of Labor were influenced by state organizational considerations. In the other five states included in the case-studies, the state unit which traditionally oversees employment and training related programs was designated as state JTPA administrator.

The amount of JTPA dollars available seems to be correlated with the location of the JTPA office within the state bureaucracy. The smaller the grant, the closer the JTPA office seems to be to the governor. During PY 1985, states with the JTPA office in the governor's office received in average \$14,843,360 of Title II-A funds while states where the JTPA office is at the cabinet level received an average of \$21,875,500. States with the JTPA office just below the cabinet level received an average of \$40,814,740 and those states with the JTPA office two steps below cabinet level received an average of approximately \$87 million.

In all of the case-study states, except Illinois, the state JTPA administrative office is located one step below cabinet level within the department that administers Employment Service and Unemployment Insurance Programs. In Illinois, the largest of the seven states, the Job Training Programs Division which oversees day-to-day JTPA operations, is located several levels down from the governor in the Program Administration Bureau, one of three bureaus reporting to the director of the Department of Commerce and Community Affairs. It must be noted that the Illinois JTPA office maintains close communication with the governor's office through a liaison within the governor's office assigned to participate in JTPA activities. Those states such as Illinois that have chosen to create large departments responsible for multiple services tend to have the JTPA office further away from the governor. It appears that, as in the case of Illinois, JTPA offices in large states can still maintain close communication with the governor's office.

The authority of state JTPA offices over different aspects of the JTPA programs differs among states. Some are responsible for all JTPA programs while others are responsible for only some of the JTPA programs. One of the most prevalent combinations includes oversight of the basic Title II-A (78%) and administration of the three percent and Title III programs. In small states, the JTPA office tends to administer more of the JTPA program than in large states. It is interesting to note that virtually all of the small states administer the eight percent set-aside out of the JTPA office while only three of the other 20 states do so. The JTPA office administers the ten percent set-aside program in only one-quarter of the states. In these states, the location of the JTPA office is close to that of the ES administrative unit.

In addition, as mentioned before, there are some state JTPA offices that are also responsible for administration of an SDA or are an SDA grant recipient. Further, some state JTPA offices are also the primary administrative entity for programs beyond JTPA, and the employment service. These include unemployment insurance, work and welfare programs, work programs for refugees and others.

Within the case-study states, Vermont has the most consolidated administrative structure of the seven, being responsible for administration of the basic Title II-A (including the five and six percent set-asides), Title II-B, Title III, the three percent set-aside and the eight percent set-aside programs. As in Arizona, the state unit responsible for JTPA programs also administers one or more SDAs in Idaho, Nebraska, and Vermont.

Despite the fact that JTPA offices usually administer multiple JTPA programs, only about half of the states included in the survey use administrative cost pooling. Again, it is the small states that make the most extensive use of this management practice. One-third of the states combine JTPA administrative resources with non-JTPA resources such as Wagner-Peyser, Unemployment Insurance and welfare funds to support joint administrative activities at the state level.

In addition to designating the state agency responsible for administering JTPA programs, governors are responsible for the designation of Service Delivery Areas. According to Section 101 of the Job Training Partnership Act, each SDA should:

- o be comprised of the state or one or more units of general local government;
- o promote effective delivery of job training services; and
- o be consistent with labor market areas or standard Metropolitan Statistical Areas and with areas in which related services are provided under other state or Federal programs.

The Act requires that the governor approve any request for designation as a Service Delivery Area from:

- o any unit of general local government with a population of 200,000 or more;
- o any consortium of contiguous units of general local government with an aggregate population of 200,000 or more which serves a substantial part of one or more labor market areas; and
- o any concentrated employment program grantee for a rural area which served as a prime sponsor under the Comprehensive Employment and Training Act (CETA).

Flexibility in designation of Service Delivery Areas is built into JTPA. Congress recognized the importance of integrating the administration of JTPA into the larger framework of substate organizational relationships by requiring that designation of SDAs be consistent with areas in which related services are provided under other state and federal programs.

The effect of traditional substate organization of delivery systems on designation of local units as SDAs can be observed in Idaho, Nebraska, and Vermont, three of the case-study states. Both Idaho and Vermont have small populations and both have only one Metropolitan Statistical Area. However, while Idaho has six SDAs, Vermont is a single-SDA state. In Idaho, the organization of most substate service delivery systems follows the state's regional sub-structure. In Vermont, most government programs are centrally administered.

Nebraska has a small population and two Metropolitan Statistical Areas. Nebraska has three SDAs, one of which--the Greater Nebraska SDA-- includes 88 of the state's 93 counties. The JTPA organization, as CETA's before it, follows the traditional sub-state organization of service delivery systems while acknowledging local autonomy. The Greater Nebraska SDA is divided into regions. Local elected officials from the regions are appointed by the governor to a board which performs the role normally played by elected officials in a regular SDA.

In addition, states have created special organizational arrangements to overcome limited administrative resources. For instance, small states also have had to resort to special administrative arrangements to supplement limited dollars available to them for state administrative purposes. These administrative arrangements provide the state access to SDA administrative dollars. Vermont, as a single-SDA state, provides an example of one such arrangement. Other types of special administrative arrangements exist in multiple-SDA states. In Nebraska, for example, a state agency serves as the SDA grant recipient for the multi-county Greater Nebraska SDA. In Idaho, the state agency serves both as the grant recipient and as administrative entity for all six of its SDAs.

For states with two or more SDAs, the special Service Delivery Area may or may not be administered by the state JTPA office. In those states where the unit designated by the governor as responsible for state JTPA activities is also an SDA administrative entity, an administrative dollar advantage exists similar to that for single-SDA states. However, in those states where a state agency other than the JTPA office is the SDA administrative entity, such as in Hawaii, this advantage does not exist. Some other special arrangement such as sharing use and cost of a management information system may, however, be in place.

The parameters established by the Act in the designation of Service Delivery Areas and the factors used to distribute the funds have an effect on the number of SDAs. Table 2 provides information on the number of Service Delivery Areas and PY 1985 allotments for the five percent State Administrative funds for each of the seven case-study states.

Table 2: Number of SDAs and PY 1985 JTPA 5% Allotment  
for the Case-Study States

<u>State</u>	<u># SDAs</u>	<u>JTPA 5% Allotment</u>
Vermont	1	\$ 235,144
Nebraska	3	346,846
Idaho	6	382,021
Arizona	15*	1,083,229
Maryland	10	1,228,046
Georgia	16	1,812,671
Illinois	26	5,174,578

\*After five new SDAs were created in PY 1985

Political climate also influences states' JTPA configuration. Nationally, the number of SDAs has grown over time. In Arizona, five new SDAs were created during PY 1985. Since June 1986, some local units in Georgia have been designated as separate Service Delivery Areas. Table 3 provides a summary of information on number of SDAs and amount of administrative dollars available for the other 38 states for which information was obtained.

**Table 3: Number of SDAs and JTPA 5% Allotment for the Survey States**

<u>Number of SDAs</u>	<u>Number of States</u>	<u>Average 5%</u>
Single-SDA	7	\$ 381,257
2 - 10	14	887,336
11 - 20	12	1,843,732
21 - 30	3	4,536,316
31 +	2	7,495,170
Average Number of SDAs 10	38	\$1,731,989

A full listing of states with pertinent information on number of SDAs, size, of Title II-A allocation, unemployment rate and number of Metropolitan Statistical Areas is contained in Appendix A.

As part of the study, states were asked to estimate the percentage of dollars used for management functions. For the most part, states tend to use a similar proportion of resources for the same management functions. Small states, however, seem to spend a larger proportion of their budget for planning and policy activities, and management information systems than larger states. On the other hand, very large states, on average, spend more on field operations than smaller states. Table 4 presents the average percentage of administrative dollars devoted to different management functions for each of the state clusters. States are clustered using the previously stated definition of size: small states receiving less than \$10 million in Title II-A; medium- states receiving between \$10 and 30 million; large- states receiving between \$30 and \$50 million, and very large- states receiving more than \$50 million.

**Table 4: Estimated Percentage of JTPA Administrative Resources Devoted to Performance of State Management Functions by State Cluster**

	<u>Small States</u>	<u>Medium States</u>	<u>Large States</u>	<u>Very Large States</u>
	<u>(%)</u>	<u>(%)</u>	<u>(%)</u>	<u>(%)</u>
Planning and Policy	17	9	13	8
Financial Management	16	19	15	17
Other Compliance Monitoring	12	13	13	7
T.A./Training	6	9	9	9
MIS	17	13	10	12
Administration of				
Performance Standards	1	4	4	5
LMI	1	2	4	2
Direct Council Support	9	6	3	6
Supervision 3%	2	4	3	2
Supervision 8%	3	4	4	4
Field Operations	11	9	13	19
Other Admin. Functions	6	8	9	9

No correlation was observed between resources devoted to different management functions and either expenditures and performance. The lack of correlation is probably due to the similarity among states in the proportion of resources devoted to each management function.



As an additional way of capturing the level of effort devoted to each management function, states were asked to provide information on the full-time equivalent (FTE) staff assigned to each function. The distribution of staff assigned to specific management functions is correlated to the distribution of dollars for the functions.

Table 5: Average FTEs Devoted to Performance of State Management Functions by State Cluster

	Small States	Medium States	Large States	Very Large States
Planning and Policy	5.74	3.72	8.29	16.00
Financial Management	5.00	8.43	6.91	18.93
Other Compliance Monitoring	3.69	4.63	7.67	8.50
T.A./Training	0.77	4.38	5.31	8.75
MIS		6.81	4.95	5.07
8.50				
Administration of Performance Standards	0.24	1.46	2.59	2.12
LMI		0.21	0.94	2.19
3.00				
Direct Council Support	2.19	1.97	2.56	8.12
Supervision 3%	0.46	1.98	1.49	1.25
Supervision 8%	0.74	1.72	1.94	4.75
Field Operations	9.17	5.75	7.22	17.00
Other Admin. Functions	3.31	3.47	6.87	10.25

State respondents from small states indicate that they have had to rely on a variety of special arrangements to finance state JTPA administrative activities because current funding levels do not provide adequate resources for these purposes. We therefore, tried to estimate what level of resources are needed to carry out state responsibilities.

The minimum cost associated with performing state JTPA management functions was estimated based on the staffing patterns reported by small states. Single-SDA states were excluded because we could not differentiate between staff assigned to perform state and local functions.

The total average full-time equivalent staff for small states (excluding single-SDA states) was 13. Using the average 1985 state annual wage of \$20,356, as published by the U.S. Bureau of Labor Statistics and an estimated cost of fringe benefits of 20 percent of salary, we estimated the average personnel costs to be \$317,554. If the overhead costs are assumed to be 50 percent of personnel costs, the minimum administrative cost would be approximately \$475,000. Further, even assuming 25 percent of personnel costs for overhead, the estimated minimum JTPA administrative cost, would be almost \$400,000. This is higher than the amount 14 states received under the five percent set-aside in PY 1985.

### *Set-Aside Program Management*

States set-aside programs provide governors with considerable discretion to shape JTPA priorities. Governors are responsible for establishing policies and designating state agencies to administer the three percent, the eight percent, and the ten percent Wagner-Peyser set-asides. As part of the study, we examine the set-aside administrative arrangements and policies.

### **Three Percent Set-Aside Program**

Unlike the other JTPA programs which had a precedent under CETA, the Older Individual program represents a new challenge to the employment and training service delivery system. The program has been fraught with problems since its inception for a number of reasons. Few, if any institutional relationships existed between the mainstream employment and training delivery systems and those agencies experienced in working with older individuals. Such relationships had to be established and both sides had to learn about each others' field. Professionals with expertise in the gerontology field had to learn employment and training and employment and training professionals had to learn about how to plan and operate programs to serve older workers. States admit that their inexperience in this field and the fact that the set-aside was so small compared to other aspects of the JTPA program slowed down the full implementation of the program. Expenditure rates have steadily increased over time although they still lag behind other aspects of the JTPA program.

Dissatisfaction with the way the program had been operating caused eighteen states to change policies and procedures they thought were impeding implementation. These changes involved redesignation of the administering state agency and revisions to both the methodology for the substate distribution of funds and the formula used where applicable. As of the end of PY 1985, as a result of changes in seven states, two-thirds of the states were administering the three percent set-aside program through the state JTPA office and one-fifth of the states had designated the State Unit on Aging as the administrative entity for the program. The seven case-study states provide examples of both types of arrangements. In Arizona, Idaho, Nebraska and Maryland, the State Unit on Aging is responsible for the program. In Illinois, Vermont and Georgia, it is the state JTPA administrative entity that is responsible.

States were fairly evenly divided in how they distributed three percent funds throughout the state. One-third used either the Title II-A, a needs-based or other formula to distribute the funds. One-third distributed the funds through an RFP process and the remaining third of the states used some combination of the two. It should be noted that even under competitive processes, SDAs are often the recipients of funds.

As of the end of PY 1985, seven states had shifted from a formula distribution to the use of an RFP; three states shifted the other way. Again, the case-study states are illustrative of this point. Arizona, Illinois, Maryland and Georgia distribute most of the money to the SDAs by formula. In the case of Georgia, this practice began during PY 1985 to better integrate services for older individuals with those delivered under the basic Title II-A grant.

Within the states studied, nine out of ten SDAs had received at least some three percent funds since the program's inception. In seven of these states, SDAs received 85 percent of the PY 1985 three percent resources.

### **Eight Percent Set-Aside Program**

Although the eight percent program is, in many ways, the second generation of a similar set-aside program under CETA, it experienced considerable start-up problems during the initial implementation period of JTPA. Unlike under CETA, when the education set-aside was directed at linkages with vocational education, the JTPA eight percent set-aside gave states an option in selecting with which component of the educational system to work. To a great extent the states' success in implementing the set-aside was a reflection of the level of coordination achieved

under CETA. Because the history of coordination varied between states and many new actors on both the JTPA and education sides became involved in the coordination process, start-up was slow and expenditures lagged behind the basic Title II-A program.

Within this set-aside, 20 percent of the funds are specifically earmarked for staff development and other activities intended to facilitate coordination of JTPA services with those provided by state and local education and training programs. The remaining 80 percent of the funds are to be used to provide education and training services to youth and adults whom the Governor determines to require special assistance.

Organizational arrangements for administering both the coordination and services portion of the set-aside program differ considerably among states. As of PY 1985, about one-third of the states administered the coordination portion through the same state employment and training unit responsible for the basic Title II-A program management. Another quarter used the state vocational education unit, while one-third used other units within the state agency in charge of elementary and secondary education. In contrast, about one-half of the states administered the services portion through the employment and training unit while a quarter administered the program through the state vocational education unit and another quarter operated the program through the agency in charge of education.

Within five of the case-study states, the state unit responsible for vocational education is also responsible for the State Education Coordination and Grants, the eight percent set-aside program. In Illinois two state educational agencies share responsibility for the eight percent set-aside program: the Illinois State Board of Education, Department of Adult, Vocational and Technical Education and the Illinois Community College Board. As previously mentioned, in Vermont the state unit responsible for JTPA programs is also responsible for the eight percent set-aside program.

Because of continued concern about the program, several states reported that they have changed administrative arrangements and policies over time to overcome problems they perceive to be hindering its success. Seven states have changed administering agencies; four states have changed service providers. In addition, five states have changed the way in which they distribute funds throughout the states. For instance, Maryland used an RFP mechanism during PY 1984 when a portion of the eight percent funds were allocated through the community college system. Since PY 1985, these funds have been distributed by formula directly to SDAs.

States used local, state and federal funds to match eight percent set-aside funds. Twenty-seven of the states studied used in-kind contributions, ranging from 20 to 95 percent, to match the set-aside funds. Cash contributions used as matching funds ranged from 5 to 80 percent.

States were fairly evenly divided in how they distributed the eight percent funds through a combination of strategies. Over one-third of the states including Maryland and Illinois distributed the funds using the Title II-A formula. Just under one-third of the states used a competitive RFP process to allocate the resources; and another third used other strategies such as geographic targeting. No correlation was observed between the method of distributing the funds and size or any other factor.



The three most important factors considered in awarding contracts through RFPs were quality of the proposed training, experience of the proposed contractors and ability to reach the hard-to-serve. The use of performance-based contracting was limited. Only four of the states studied used this method to allocate eight percent funds.

### ***Ten Percent Set-Aside Program***

The Ten Percent Wagner Peyser set-aside to support services to groups with special needs and other incentives to improve the quality of local employment service programs operates differently than the three and eight percent JTPA set-asides. For the most part, states have had no problems in spending these resources because funds have gone to supplement on-going local operations. In all states for which we obtained information, the administration of this set-aside is handled by either the Employment Service unit or, as in the case of five states, the JTPA unit which is closely associated with the E.S. unit. In one of these five states, the JTPA and ES units are one, while in the remaining four states the JTPA unit is on the same level with the Employment Service unit within a larger Department of Labor or Human Resource agency.

Within the case-study states of Georgia, Idaho, Maryland and Nebraska, the JTPA unit is either co-located or shares administrative responsibility for the set-aside with the Employment Service. In Arizona, responsibilities for the set-aside are divided between the Governor's office and the Department of Economic Security. The Governor's Office of Community Programs performs the planning activities while the Department of Economic Security performs and coordinates the programmatic activities.

## **STATE POLICYMAKERS**

### ***State Job Training Coordinating Council***

The role of State Job Training Coordinating Councils in implementing and promoting policies has varied considerably. Within some of the case-study states, the SJTCC has been used by the governors as an instrument for their policies and initiatives. The Governor of Illinois, for example, addresses the council at least once a year and has a person in his staff assigned as a liaison with the council. In Idaho and Nebraska, the governors' views are communicated to their respective councils regularly.

In Illinois and Nebraska, the councils have set policies regarding coordination of activities. They have developed policies for the basic Title II-A program, and monitored and evaluated set-aside programs. The Maryland state council performs a large array of activities extending beyond JTPA. It also serves as the State Employment Service Advisory Committee and the State Occupational Information Coordinating Committee. The training councils in the other case-study states have played a more passive role in developing policies and overseeing JTPA activities.

Three-quarters of the states responding to our survey report that State Job Training Coordinating Councils have had a substantial impact on at least some aspects of state policy development for JTPA. By far the greatest influence is reported in state incentive policy for exceeding performance standards. State councils appear to have had a moderate influence on state policies regarding at-risk



youth and the hard-to-serve. State council impact on sanction, reallocation and equitable services policies seems to have been uneven. The vast majority of states report that their state councils have concentrated their attention on one or two major issues while only five report that their councils have become involved in many issues.

Table 6 provides a summary of the assessment of state officials regarding the areas in which State councils have had an impact on state JTPA policy.

Table 6: Influence of SJTCC's on State Policy

<u>Policy Area</u>	<u>Impact</u>		
	<u>High</u>	<u>Moderate</u>	<u>Low</u>
Incentive Policy	25	4	9
Sanctions Policy	15	7	14
Reallocation Policy	16	4	15
Equitable Services Provisions	14	13	11
Services for At-Risk Youth	16	15	7
Services for the Hard-to-Serve	16	15	6

Staffing of councils varies considerably ranging from 1 to 15. A 1985 study of SJTCC's conducted by MDC, Inc. for the National Commission on Employment Policy reported that council staff was self contained or dedicated in 15 states.

Within six of the case-study states, the state JTPA office provides staff support for the council. In Georgia, Nebraska and Vermont, the staff assigned to perform council duties also perform other administrative activities. In Arizona, Idaho and Illinois, separate staff within the JTPA office support council activities. Only in Maryland, is the council independent from the state JTPA office and its staff report directly to the governor's office. Among the seven states, the annual budget for the Maryland council is the largest, \$210,000.

### *State Legislature*

States responding to the survey reported that state legislatures have provided policy direction and general oversight to the JTPA system on specific issues.

On the whole, respondents to our survey (it should be noted that respondents are primarily members of state executive branch agencies) felt that state legislatures have had little impact on either program design within any of the JTPA Title II-A programs or services provided through the employment services. Only one in four state legislatures are reported as having become substantially involved in JTPA concerns and then primarily to dictate the administrative authority for some aspects of the program or to mandate coordination between JTPA and other systems.

In a few cases, there seems to have been a clear, but limited, impact on the program. For instance, in Kansas, the state legislature required that the eight percent set-aside be administered through the State Department of Corrections. In Pennsylvania, the state legislature required that the eight percent funds be allocated by formula to the SDAs.

This pattern is reflected in the case-study states. For example, the role of the legislatures in Arizona and Idaho, seems to have been minimal. In Maryland the state legislature has not been active, but four members of the legislature have been active participants in the State Council. In Illinois and Nebraska, the state legislature plays an oversight role. In Nebraska, the legislature reviews the job training plan. In Illinois, different legislative committees have jurisdiction over JTPA activities with one overseeing all JTPA state rules and regulations.

Other state legislatures have played a more active role in either limiting or facilitating JTPA programs. In Vermont, the state legislature instructed that JTPA funds be used to support the Youth Conservation Corps and juvenile programs as a way of addressing the state's school dropout and at-risk youth problems. In Georgia, legislation was passed allowing interstate agreements to provide JTPA services across state lines for overlapping labor markets. Also in Georgia, there is legislation that exempts income from summer youth programs from the eligibility consideration for welfare.

Table 7 provides a summary of the areas in which state legislatures have exerted an influence over the JTPA system, as perceived by the respondents.

Table 7: Influence of State Legislatures on State Policy

	<u>Number of States</u>
Specification of program goals	5
Specification of administrative authority for program operation	10
Coordination of resources	9
Specification of methods of appeal of issues in state and local plans	2
Guarantees of legislative access to information on the operation of the program	2
Reserve amount of dollars for other programs (i.e. work and welfare program)	2
Specification of grant recipients (state and/or local)	4
Appropriation of State Match	2
Other (specify)	2

## **STATE MANAGEMENT PRACTICES**

### ***Policy and Planning***

One of the most direct policy leadership functions the state performs is the development of the Governor's Coordination and Special Services Plan (GCSSP). In the GCSSP, states are required to:

- o articulate policy goals and objectives for job training and placement programs within the state including such priorities as services to the "hard-to-serve;"
- o establish criteria for coordinating activities under the Act with programs and services provided by state and local education and training agencies, public assistance agencies, the employment service, rehabilitation agencies, post-secondary institutions, economic development agencies and others the governor determines to be important;
- o priorities and criteria for state incentive grants and performance goals for state supported programs; and
- o a description of the projected use of various "set-aside" resources available to the states under JTPA including oversight and support activities.

About half of the states believe that the single most important function of the GCSSP is to establish policy direction for JTPA operations within the state while another quarter report related, but narrower functions including providing guidance to SDA plan development and priorities for the use of the state set-asides. In six states the development of the plan is viewed as a way of providing the U.S. Department of Labor with an opportunity for state policy review.

In studying how governors use their discretion under JTPA, we analyzed how governors have used the policy and management tools described in the GCSSP to promote their policy objectives. Our case studies illustrate how governors' policy leadership can take different forms. In some cases, the state objective has been to strengthen the local JTPA delivery system. For instance, in Georgia JTPA officials identified the promotion of local control as the governor's policy priority. Because of this perspective, three percent funds have been provided to SDAs and leeway has been given to PICs and SDAs to determine their own priorities to address local conditions. In addition, a major priority of the eight percent set-aside program has been to strengthen the basic Title II-A program by building feeder remediation and pre-employment service programs so that eight percent participants can get ready for the basic Title II-A program activities.

On the other hand, the goal of other states has been to provide direct policy leadership in programmatic areas. For example, in Illinois, eight percent resources were used to supplement activities sponsored by the governor's literacy initiatives as well as support economic development programs.

To analyze state actions to promote policy objectives, we identified a number of policy areas that were either given priority within the JTPA law itself or have become a national priority since the passage of JTPA in 1983. The three legislative priorities we decided to focus on are increasing services to welfare recipients, dropouts and other "hard-to-serve" individuals. In addition, we focused on state JTPA initiatives to promote SDA and PIC attention to strengthening remediation services for youth and adults. This latter issue is an example of a policy area in which governors, through their education reform and other initiatives, have provided substantial leadership.

### **Services to the Hard-to-Serve Dropouts, and Welfare Recipients**

Services to the hard-to-serve as defined at either the state or local level were also emphasized in all aspects of the Title II-A and employment service programs with seven out of 10 states using a combination of multiple JTPA resources to target this segment of the eligible population. One-third of the states used the ten percent Wagner-Peyser set-aside to strengthen services to the hard-to-serve within Employment Service operations. Six percent funds earmarked up-front for the hard-to-serve were also extensively used.

Both dropouts and other at-risk youth were targeted by about half of the states through both the basic Title II-A (78%) program and the eight percent education set-aside. For example, Massachusetts combines local funds, state JTPA funds, the eight percent set-aside to the Education Department, and a foundation grant to support a school retention project in six targeted communities with high dropout rates.

New Jersey funds a dropout demonstration project in collaboration with the school system. Under the project, JTPA staff provide job development for youth who are guaranteed a job upon graduation from high school and education staff who provide school retention services.

Governors have used the set-aside programs to complement their special initiatives and policies targeted at different segments of the population. In Arizona for instance, the governor had an initiative for incarcerated youth and this group was identified as a target group for eight percent funds.

The use of JTPA discretionary funds to target services to special youth populations is illustrated in one of the case-study states. In Arizona, the governor had an initiative for incarcerated youth and this group was identified as a target group for eight percent funds.

Emphasis on services to welfare recipients was most heavily promoted through policy guidance in the form of goals and objectives, coordination criteria, and equitable services requirements given SDAs regarding programming under the basic Title II-A (78%) program. Some states, however, have used the set-aside programs to provide services to welfare recipients. Within the case-study states, Vermont has used the eight percent, six percent and the Wagner-Peyser ten percent set-asides to complement the governor's "REACH-UP" initiative to promote self-sufficiency among unmarried heads-of-households.

Table 8 provides a summary of the various resources used to support the aforementioned policy objectives.



Table 8: Use of State Planning Guidance and Set Asides to Promote Services to Target Population

	Number of States				
	<u>78% Planning</u>	<u>8%</u>	<u>3%</u>	<u>6%</u>	<u>ES 10%</u>
Hard-to-Serve	27	18	12	19	12
Welfare Recipients	36	11	5	16	4
Dropouts	29	23	2	9	3
Other At-Risk Youth	26	23	0	11	2

Respondents to the survey believe that the influence of these state executive branch initiatives was greatest in improving services to welfare recipients. It is interesting to note that while more than three-quarters of the respondents thought their influence on improving services to welfare recipients was substantial, more than half of the states considered their influence on strengthening services to the hard-to-serve as only moderately successful.

Given the lack of nationally agreed upon definition of who constitutes the hard-to-serve or any nationally available data on this group we were not able to fully validate the states' assessment. However, national JASR data for PY 1985 indicate that 46 percent of all JTPA terminées were public assistance recipients and 22 percent were AFDC recipients. This level of service represents a substantial increase in the relative share of services to AFDC recipients from 9 years earlier when 15 percent of CETA terminées were AFDC recipients. However, the 174,000 AFDC recipients terminated during PY 1985 still only account for less than 5 percent of the AFDC caseload.

Since the assumed relationship between coordination and improved client outcomes can be tested in the most straight forward manner related to welfare recipients, we attempted to correlate information on individual state's coordination activities with the welfare system with achievement of performance standards. We found that neither the welfare or adult entered employment rates, the adult cost per entered employment rates, nor expenditure rates for the basic Title II-A (78%) program were affected by the increased policy emphasis on improving services to welfare recipients.

As was the case with other aspects of the analysis, our inability to find a correlation between these factors does not necessarily mean that no relationship exists. Rather, it may be caused by the lack of sensitivity of the measures we have at our disposal. For instance, we are not able to distinguish between services to welfare recipients with different levels of employability development needs or the program's contribution to the individual recipients' long-term economic self-sufficiency.

### **Remediation Services**

Governors' leadership in education reform and their growing realization of the importance of educational services as part of any comprehensive welfare prevention or worker adjustment strategy is reflected in the heavy emphasis placed by states on strengthening remediation services under JTPA.

Increased emphasis on remediation for adults and youth was promoted by the states primarily through policy guidance given relative to the basic Title II-A and Employment Service programs, and the use of the eight percent set-aside. Three quarters of the states used the eight percent set-aside for this purpose while more than half provided policy direction on this subject to the substate delivery system.

Some of the remediation emphasis was focused on the Title II-B Summer Youth Employment program (SYEP) legislated by Congress while the study was underway. Several states used eight percent set-aside funds to partially support basic education assessment and remediation services for summer youth program participants. For instance, Georgia has used the set-aside to develop remediation program models in reading and mathematics for use in JTPA youth programs. Wyoming used the set-aside to partially support remedial instruction for SYEP youth who are assessed as being two or more grade levels behind their age group and New Mexico used of the set-aside to support ten hours of remediation provided to some Title II-B youth in combination with their work experience.

Other states have used eight percent set-aside funds for year-round basic skills remediation. Examples are Louisiana's distribution of the set-aside funds to Local Education Agencies (LEAs) on a formula basis and to the state's vocational education schools to assess youth and provide remedial instruction all year; Florida's use of the set-aside for LEAs to provide computerized basic skills instruction year-round; and North Carolina's allocation of the set-aside to community colleges and LEAs for year-round basic skills remediation.

### ***Coordination***

In an attempt to sort out the various relationships established between JTPA and other delivery systems, we studied both the incidence and intensity of coordination taking place between JTPA and the: Employment Service, Economic Development, Welfare, Food Stamps, Vocational Education, other educational agency(ies), State Youth Conservation Corps, and the Title V Older Americans Act programs.

Information was collected on the use of some fourteen distinct coordination mechanisms related to coordination with the above systems. For simplicity, we clustered these under three general types of coordination ranging in hierarchical order from the least to most active. These are:

#### **1) Procedural Requirements Mandated by Law**

These are generally considered the least intensive forms of coordination since requirements can be met with only perfunctory compliance with the intent of the law. Such requirements include:

- o Overlapping State Council membership
- o Required local level council membership
- o Joint State Level Planning
- o Requirements for joint local level planning

## **2) Administrative Arrangements**

Such arrangements are not required by federal law although they may be by state legislative action. For the most part, they are voluntary in nature. Although some arrangements are more intense than others, such arrangements represent a serious commitment of resources and are assumed to result in at least improved communication between programs. Such arrangements include:

- o Liaison relationship among state staff
- o Shared administrative arrangements between state agencies
- o Co-location of state staff
- o Sharing of information between state agencies (LMI and/or MIS)

## **3) Programmatic Integration**

Within our hierarchy, these arrangements are considered the most substantive and their existence an indication of close collaboration between agencies. They include:

- o Non-financial cooperative agreements
- o Financial cooperative agreements
- o Jointly funded programs
- o Jointly operated programs (i.e., dual enrollment)
- o Financial incentives through state set-asides

States report the most extensive coordination with the Employment Service and Vocational Education followed by the welfare and economic development systems. Coordination with the Employment Service is heavily concentrated in the procedural and administrative areas reflecting the fact that in 14 states, JTPA is administered by the same agency as the Employment Service. More than two-thirds of the states report that joint state and local planning is taking place between the two agencies. Nine out of ten states report information sharing between the two agencies and close to half report shared administrative arrangements including co-location of staff in about one-third of the states.

On the other hand, coordination between JTPA and the vocational education system is heavily concentrated in both the procedural requirements and programmatic areas. The former clearly reflects compliance with legislative requirements while the latter type of coordination suggests that integrated programming is taking place in many jurisdictions throughout the country. Different combinations of financial cooperative agreements, jointly funded and jointly operated programs are reported by more than half of the states. Although much less extensive, coordination with other educational organizations is also essentially programmatic in nature. For instance, jointly operated programs have been developed with community colleges.

Coordination between JTPA and welfare agencies is quite substantive, especially from a programmatic point of view. Half of the states report the existence of jointly operated programs and non-financial agreements. States that reported having a high level of coordination with the welfare system also reported that the executive branch initiatives had a substantial influence on services to welfare recipients.

In 1986, half of the states that responded to an NGA survey reported sharing JTPA client intake data for AFDC registrants with the state welfare agency. According to the same NGA study, in half of the states referrals by the local welfare unit were the most frequent tool used by SDAs to recruit welfare recipients. Further, four out of five states with WIN demonstration projects reported the use of social service or welfare dollars to pay for support services for welfare recipients participating in JTPA.

When asked to evaluate the effectiveness of their coordination initiatives in terms of efficiencies achieved in local operations and improvements in services to target populations, states rated their relationships with welfare agencies, the Employment Service and the vocational education system as the most successful. Coordination with the economic development system trailed the other three; but is still generally considered fruitful by half of the states. States where the designated state JTPA office is located within the economic development office reported more coordination between JTPA and economic development than did others.

Some of the specific benefits reported to have resulted from state coordination initiatives included:

- o "enriched," "more comprehensive," "sequential," and "elongated" services to welfare recipients and other specific target populations including older individuals over 55; the handicapped, dropouts, teen parents, ex-offenders and refugees;
- o expanded and improved remedial education programs in secondary schools;
- o development of an automated, self-paced program for literacy instruction in Adult Basic Education programs;
- o leveraging of non-JTPA dollars for such things as the provision of support services( ie. transportation and day care);
- o reduced duplication of services and administrative costs resulting in more cost-efficient services;
- o creation of a one-stop center for employment and training; and
- o centralized and improved intake procedures including improved eligibility determination;

The case-study states illustrate the coordination patterns reported by states. For instance, coordination between Vermont's JTPA office and its welfare system is best described as programmatic. Vermont's REACH UP program mobilizes multiple agencies serving AFDC clients in order to address employment and self sufficiency barriers for single and unemployed parents. JTPA resources are targeted to REACH UP participants.



In general, states reported the highest degree of coordination with those programs which are administered by the same agency in charge of JTPA. This pattern is observed in Nebraska, Maryland, and Illinois. In Nebraska and Maryland, the a high degree of coordination between JTPA and Employment Service was observed. In Maryland, Employment Service staff is located in JTPA offices and vice-versa. In addition, both units have operated joint Job Clubs in a number of locations. In both Nebraska and Maryland, JTPA and Employment Service are part of the agency.

In Illinois, the governor has delegated the responsibility for state administration of JTPA programs to the Department of Commerce and Community Affairs, the state agency in charge of promoting economic development. A high degree of coordination between JTPA and economic development activities was observed at state and local levels.

### ***STATE QUALITY ASSURANCE FUNCTIONS***

State quality assurance functions under JTPA may be divided into those activities that relate to the states' performance standards, incentives and sanctions policies; and those that are concern with compliance with legislative requirements and accepted financial and other management practices.

Both sets of activities rely on information on SDA (and in some cases, service provider) operations and performance to identify and resolve any problems as early as possible and to serve as the basis for rewards, sanctions and technical assistance that may be given.

Our study revealed that both information collection and the process by which information is fed back to the system can be accomplished in a variety of ways depending on the unique organizational circumstances within the state and resources available.

#### ***Performance Standards***

The Job Training Partnership Act is designed to be a performance-driven program. Section 106 of JTPA requires the U.S. Department of Labor to prescribe performance standards for adult training programs under Title II-A that can be used to determine whether participation in JTPA programs increases employment and earnings or reduces welfare dependency. The Act also explicitly calls for standards for evaluating the performance of youth programs. These standards are used as indicators of program success.

During the period covered by this study, the U.S. Department of Labor's performance measures for services to adults were entered-employment rate, cost per entered employment, average wage at placement, and adult welfare entered-employment rate. In addition, measures of performance related to youth were entered-employment rate, positive-termination rate and cost per positive termination.

Although Section 106 of JTPA assigns the responsibility for the establishment of standards to the Secretary of Labor, the application of performance standards rests with the governor. Among the most important management tools available to states for influencing the quality of local programs are those associated with the JTPA "performance management system." Using the discretionary, authority available to them in each of the components of this performance management system, governors can shape the JTPA program within the state to assure that state goals, objectives and policy priorities are addressed. The "performance management system" includes the following state authorities to:

- o set performance standards by which local performance will be judged;
- o structure state policies that determine how six percent funds incentive awards for exceeding performance standards will be distributed;
- o provide technical assistance to SDAs to help improve their performance;
- o structure state policies that specify actions that will be taken to sanction SDAs that fell to meet performance criteria; and
- o provide incentives to promote services to special hard-to-serve individuals and experiment with exemplary models;

States can also set additional standards or measurable goals for the basic Title II-A programs as well as the set-aside programs. Almost two-thirds of the states set measurable goals for the three and eight percent programs.

As previously mentioned, DOL methodology was used for the analysis of performance against management structures and functions.

Using this methodology, SDAs have generally met or exceeded all performance standards except for youth positive termination rate and cost per youth positive termination. Table 9 shows, for the seven states included in the case-study, the number of SDAs in each that has exceeded each of the seven federal performance standards as predicted by the U.S. Department of Labor model. As presented in the table, SDAs have exceeded most performance standards.

**Table 9: Number of SDA's Meeting PY 1985 Performance  
Standards as Predicted by DOL Model Without Additional  
Adjustments by States**

	<u>Arizona*</u>	<u>Georgia</u>	<u>Idaho</u>	<u>Illinois</u>	<u>Maryland</u>	<u>Nebraska</u>	<u>Vermont**</u>
Number of SDA's	15	16	6	26	10	3	1
Adult Entered Employment Rate	14	15	6	26	10	3	1
Cost Per Adult Entered Employment Rate	12	16	6	26	9	3	1
Average Wage at Placement	13	16	6	18	9	2	1
Welfare Entered Employment Rate	13	12	6	23	10	3	1
Youth Entered Employment Rate	14	15	6	23	10	3	1
Youth Positive Termination Rate	9	7	2	23	4	2	0 (81)***
Youth Cost Per Positive Termination	9	14	5	26	8	2	0 (90)***
SDAs Meeting or Exceeding all Standards	0	5	2	14	3	2	1

\* Includes new SDAs created in PY 1985

\*\* Single-SDA state

\*\*\* Actual performance as percentage of predicted.

The only standards which are not exceeded by most SDAs are youth positive termination rate and youth cost per positive termination. It must be noted that in states in which the STJCC made youth competencies a priority, the vast majority of the SDAs exceeded these performance standards. This suggests that states can influence SDA performance on youth standards by either providing or facilitating technical assistance on the establishment of youth competencies or by promoting youth competencies.

No correlation was observed between performance and management structures or functions. The lack of correlation is probably due to the lack of performance variance among SDAs.

States have used a variety of mechanisms to promote their goals through incentive policies. Some states have required that all standards be exceeded; other states have required only a specified number of standards to be exceeded. Some states have given equal weight to all standards included in their incentive policy while other states have given greater weight to specific standards as a way to influence the state JTPA towards a particular goal. The same has been achieved by other states by dividing incentive dollars into separate pools for each standard and assigning larger amount of dollars to those standards which they want to emphasize.

Further, states have taken into consideration the degree to which standards are exceeded in different ways. Some states have used incremental levels of performance relative to the standard. Such levels have been specified in terms of ranges (e.g. 5-9%, 10-14%, 15-20%) of how much a standard has to be exceeded or specified in statistical terms (e.g. 2 standard deviations). In addition, some states have established a cap for the degree to which a standard can be exceeded for an SDA to get additional incentive dollars, while in other states the more an SDA exceeded an standard the more incentive dollars it received.

Furthermore, states have adjusted incentive awards based on different criteria. While awards are not adjusted at all in some states, in other states, incentive awards are adjusted based on the proportionate size of the SDA's Title II-A allocation. Expenditure rates have also been used to adjust incentive awards.

We found that, for the most part, state incentive policies are quite complex and diverse. On average, approximately two-thirds of the six percent set-aside funds have been devoted to performance incentive awards. Of the states responding to the mail survey, 30 states separate a portion of the six percent set-aside funds for incentive awards. This portion ranges from 40 to 100 percent. The other eight states do not earmark funds up-front for performance incentives, incentives for the hard-to-serve and technical assistance.

Because of the complexity of many of these policies, SDAs often focus on the mechanics of the calculations rather than the policy thrust of the policies. Those states that have clearly articulated a policy objective through the way they have structured their incentive policies have had an impact on local operations. For instance, Massachusetts changed its incentive policy by reducing the weight assigned to cost standards. State officials report that after the change in policy the average cost increased.

In addition to being used as the basis for distributing incentive grants, performance standards are also used to determine which SDAs need corrective technical assistance and which must be sanctioned. For every ten states, eight have put sanctions policies in place. For the most part these policies do not go beyond the requirements of the law. The vast majority of the policies call for the provision of remedial technical assistance after the first year of failing to achieve established performance standards. The sanction policies include redesignation of the SDA for failure to meet standards during two consecutive years.



Nineteen states report that technical assistance was provided to 75 Service Delivery Areas during PY 1986 as a result of failure to meet PY 1985 performance standards. Four states report that they imposed corrective actions beyond remedial technical assistance on 28 SDAs who failed to meet performance standards.

On the whole as of the end of PY 1985, sanctions policies are perceived as having little impact on the quality of local operations for two reasons. First, very few jurisdictions have failed to meet their performance standards and therefore be subject to sanctions. Furthermore, the first two year period ended at the end of PY 1985 and therefore actions that may have been taken subsequently are not included in this study.

The variation on the performance management system among states can be observed among the case-study cases. The seven case-study states differ in how they divide up the six percent funds. For instance, in Vermont, a single-SDA state, only about seven percent of these funds were used as incentive awards. In Illinois, \$3.1 million of the funds received under the six percent set-aside program were used for incentive grants. In Maryland, the State Job Training Coordinating Council determined that 85 percent of the six percent set-aside funds should be devoted to incentives to those SDAs which exceed their performance standards.

Among the seven case-study states, variations in incentive policies were also observed. In Georgia, for example, federal and state standards are treated the same to qualify for incentive awards but in Nebraska federal and state standards are treated separately. Further, the number of standards that an SDA must exceed to receive incentive awards vary from state to state. In Idaho and Maryland, an SDA must exceed 5 out of 7 standards. In Illinois, performance standards are divided into primary and secondary type of standards for the purpose of awarding incentive grants as well as determining the need for corrective technical assistance. An SDA must exceed three primary standards and two secondary standards.

### ***Management Information Systems***

The configuration of the JTPA management information systems in place differs from state to state. In order to analyze this information, management information systems were separated into four different categories. These categories were as follows:

- o centralized, automated systems that provide on-line access to data at the state and SDA levels;
- o centralized, batch entry systems that are automated at the state level, but input data through hard copy supplied by the SDAs.
- o centralized, automated systems that are maintained at the SDA level with data periodically downloaded electronically for access by the state;

- o decentralized systems maintained at the SDA level with information periodically transmitted to the state through tapes or diskettes; and mixed systems that contain elements of the above.

The experience of the case-study states suggests that the nature of management information systems within states depends largely on the resources available. For instance, Georgia, Idaho, Illinois, Nebraska, and Vermont have centralized statewide automated management information systems for reporting information on SDA activities. Of these states, Nebraska is the only one that does not have on-line access to information to and from Service Delivery Areas. In Nebraska, batch mode processing is used at the state level to enter and up-date SDA information.

Arizona and Maryland have decentralized systems, based on the Washington State model. Information is maintained at the SDA level and periodically transferred to the state through magnetic tapes or diskettes. The data is merged into one file at the state office.

Information included in the management information systems varies among states. The Nebraska and Idaho MIS systems include financial as well as participant information. In Illinois, financial management and outcome performance information is captured through a different, but parallel component of the automated system. The information includes direct subgrantee information which is used to support cash draw and collect accrued expenditures. In Arizona, Georgia, and Vermont financial data is completely separate, although efforts under way in Vermont to consolidate both systems. Management information systems in these states include data beyond that required for federal reporting. For example, in Georgia, Illinois, and Vermont characteristics of both enrollees and terminees are included in the information system. In Arizona, the additional information is mostly related to planning and performance standards.

Among the states that responded to the survey, three of every five states have centralized automated management information systems maintained at the state level. Service Delivery Areas have on-line access to the state system to retrieve and up-date information. One of every five states reported a decentralized automated management information system maintained by each SDA. In some of these states the information is transferred electronically to the state system while in others the information is transmitted through tapes or diskettes. Three of the respondent states described their information management system as a mix of automated elements where some SDAs are part of a centrally maintained system while other Service Delivery Areas transmit their information through tapes or diskettes. Only two out of the 45 states involved in the study had manual systems during PY 1986.

For the most part the JTPA management information systems are independent systems not connected to other state management systems. Only eight states reported that their management information system was part of another system such as the employment service. In all eight states the JTPA office has a close relationship with the Employment Service. The JTPA offices are co-located with or are part of the Employment Service. In general, characteristics of Wagner-Peyser participants are maintained by the Employment Service Administrative Record Systems (ESARS).

The type of information included in the management information systems also varies among respondent states. Information regarding terminnee characteristics (including three percent, eight percent and hard-to-serve participants) are contained in all the state management information systems. The vast majority contain individual record data and other states have limited access to SDA individual records. Three-quarters of the states also include performance standards, type of training, and follow-up information. Approximately half of the states include applicant characteristics in their management information systems. Less than a quarter of the states maintain additional information on such things as cost limitations and training cost by type of service. Two of the states reported these two items as optional for the SDAs.

Half of the states reported that the state JTPA office receives information on type of service providers. In general, this type of information is maintained by single-SDA or states with small number of Service Delivery Areas.

As a consequence of the many variations in the type of information contained in management information systems and the configurations of such systems, the cost of the systems vary tremendously. Among the 38 states responding to the mail survey, the annual maintenance cost of MIS systems ranged from approximately \$25,000 to \$1.2 million. The percentage of administrative funds dedicated to maintain a management information system varies according to size of the state. In average, 17 percent of the funds in small states is needed to maintain the MIS system. On the other hand, states receiving between \$30 and \$50 million of JTPA Title II-A funds need an average of 10 percent of their administrative resources to maintain their systems, although states receiving more than \$50 million need an average 12 percent.

As a way of reducing cost related to maintaining a management information system, some states have shared the cost with the Service Delivery Areas. This practice is easier in states with a large SDA being administered by a state agency or in states with a special state-SDA structure. In some cases the information from all the SDAs is collected by the state administered SDA. Once the data for the whole state is compiled and aggregated, it is transferred to the JTPA state office. Other states charge SDA a user fee.

### *Compliance and Fiscal Controls*

States engage in various combinations of desk and on-site monitoring for purposes of management oversight. All states covered by this study conduct compliance and financial monitoring activities with ninety-five percent of them including Title II-A set-aside programs in their activities. These may be handled in different ways. For example, Illinois includes the three percent set-aside in its regular monitoring activities. The state JTPA office monitors a randomly selected sample of eight percent sub-grantees annually to complement sub-grantee monitoring conducted by the two state units administering the eight percent set-aside program.

The frequency of desk program compliance monitoring ranges from once a year, reported by four states, to twice monthly, reported by one state. Two-thirds of the states responding to the mail survey conduct desk monitoring for program compliance quarterly or less while the others reported that they monitor monthly.

Overall, desk financial monitoring is conducted more frequently than compliance monitoring. The frequency of desk financial monitoring range from once a year, reported by two states, to bi-weekly and weekly, also reported by two states each. One-third of the states conduct desk monitoring for financial compliance quarterly or less, while a little over half of the states conduct this type of monitoring monthly.

Among the seven case-study states, both, Idaho and Nebraska use specialized staff to monitor the SDAs yearly for financial compliance. Illinois uses in-house professionals including accounting staff to monitor the SDAs twice a year. In Georgia, financial monitoring is conducted once every two years or when major changes occur in SDA administration. In Vermont, a single-SDA state, monitoring of service providers is conducted on a regular basis annually.

The frequency of on-site program compliance monitoring ranges from once to 12 times a year while the frequency for on-site financial monitoring ranges from once to 24 times a year. Nine out of ten states conduct both types of on-site monitoring visits less than four times a year. Among the case-study states, Nebraska and Illinois conduct non-financial compliance monitoring visits twice a year while Idaho and Georgia have conducted such visits annually. In 1986; however, Georgia was moving to a biannual schedule which includes financial practices. Arizona conducts on-site monitoring every year.

In general, more states include performance standards, equitable services and program compliance information in their desk program compliance monitoring than other areas. Less emphasis is placed on outreach and recruitment practices. Virtually all the states include all program activities in their on-site program compliance monitoring.

In addition to such monitoring functions, states perform regular audits on local operations. For the most part, JTPA audits are part of those conducted under the Single Audit Act. However, one-third of the responding states report that they perform audits beyond those conducted under the Single Audit Act.

We could find no correlation between the incidence and intensity of monitoring visits and SDA performance as measured by attainment of national performance standards or expenditure rates. Our analysis, however, was not able to capture the quality of either type of monitoring activity nor indepth information regarding informal intelligence gathering mechanisms reported by some states. Furthermore, since our study only covered the first 33 months of JTPA, it may be too early to detect a correlation between the incidence and intensity of monitoring visits and audit exceptions over time.

### *Training and Technical Assistance*

All of the information gathered by states through different mechanisms is used to determine who and what technical assistance should be provided. Three factors were reported by states in setting priorities for provision of technical assistance: failure to meet performance standards, needs as determined by state JTPA staff, and SDA requests. These three factors were given equal weight by the states.



Eight out of ten states reported the state JTPA staff as one of the top three direct providers of technical assistance. Half of the states reported national organizations and individual SDAs as one of the top three technical assistance providers. In addition, states reported that SDAs play a substantial role in the development of workshops and conferences for the purpose of providing technical assistance. No state reported the use of local agencies as one of the top three providers of technical assistance.

The vast majority of the states use a combination of resources, including the three percent and eight percent set-asides, to finance technical assistance activities. Nine out of every ten states are using six percent funds to pay for technical assistance and seven out of ten are using five percent JTPA administration funds. On average, these states have used a little less than a quarter of the six percent funds for technical assistance; these funds have been divided equally between preventative and remedial technical assistance. Only one fifth of the states are using only one source of funds, essentially the six percent set-side, to pay for technical assistance activities.

In general, state staff in the case-study states provide most of the technical assistance. All seven states provide both remedial and preventative technical assistance. The topics are generally selected by state staff with input from the SDAs; sometimes at the request of SDAs. The subjects typically include federal/state policy, MIS, planning, performance standards, and monitoring. Little formal training is being provided by the majority of the case-study states. Maryland, however, using a local university, provides regular courses, specialized short courses and research on a variety of topics. Vermont also provides formal training. Four of the states are not satisfied with the level of technical assistance provided. They cite limited funds as the reason for their dissatisfaction. According to the states, the area which is most neglected is staff development.

JTPA funds, including six percent funds, have been used to a limited extent by the states to provide technical assistance on access and use of labor market information for planning, to standardize administrative records and survey data sources, and to reduce survey burdens on employers. States report that a limited amount of JTPA dollars have been used to finance labor market information activities. The average amount of dollars used during PY 1985 to finance LMI activities was approximately \$96,000. The amount of dollars ranged from a little less than \$1,000 to \$920,000. In general, the amount of dollars devoted to labor market information activities is related to the amount of Title II-A dollars. For instance, the PY 1985 Title II-A allotment for the state spending \$1,000 on LMI was \$8.3 million while the PY 1985 Title II-A allotment for the state devoting \$920,000 on LMI was approximately \$105 million. It must be noted, however, that a large number of states perceive the impact of labor market information (LMI) on local operations to be minimal. We cannot judge whether the low investment is a result or a cause of the states' low opinion about the value of LMI.

Within the case-study states, some activities related to labor market information (LMI) have taken place. In Illinois, JTPA funds have been used to sponsor labor market information activities. Arizona, Idaho, and Vermont provide technical assistance to the SDAs on the use of labor market information.

## ***Communication***

We observed different levels of communication between the state JTPA office and the SDAs within the case-study states. For instance, in Illinois, the state JTPA administrative office, SJTCC, SDAs, and Private Industry Councils (PICs) maintain a close relationship. Service Delivery Area representatives play a substantial role in the SJTCC. Service Delivery Area directors and PIC chairs are invited to all SJTCC meetings.

In Georgia, the state has maintained a good relationship between the state and the SDAs. The opinions of the SDAs are solicited on a regular basis through SDA association meetings. In addition, there are regular meetings with the SDA directors. Beyond monitoring visits, the state staff visit the SDAs every six weeks.

Similarly, Maryland has made building a strong relationship between the state and the SDAs a state priority. The state JTPA office sponsors quarterly retreats with the SDA directors and PIC chairs. Issues that arise between the quarterly meetings are handled either through special meetings or through the informal means of letters and phone calls. State JTPA staff attends all PIC meetings.

In Arizona, according to a state official, the relationship between the SDAs and the state started out on an adversarial basis; but has improved over time. Service Delivery Area opinions are solicited on a regular basis through a roundtable mechanism where SDA representatives discuss administrative issues. There are also regular meetings every other month with the SDA directors. State JTPA office liaisons attend all PIC meetings and visit the SDAs for purposes other than monitoring at least once a month.

Of the states responding to the mail survey, nine out of ten report substantial involvement of SDAs and PICs in at least several areas of state policy development. In two-thirds of the states this involvement seems to be concentrated on one or two major issues rather than being spread across a broader range of issues. The most substantial influence to date seems to have been in the development of state incentive policies. However, one in four states report broad SDA and PIC influence in multiple areas. Table 10 presents the level of SDA and PIC influence for each policy area as perceived by the respondents.

**Table 10: SDA and PIC Influence on State Policy Development**

<u>Policy Area</u>	<u>Impact</u>		
	<u>Number of States</u>		
	<u>High</u>	<u>Moderate</u>	<u>Low</u>
Incentive Policy	27	3	1
Sanctions Policy	18	8	5
Reallocation Policy	21	5	4
Equitable Services Provisions	15	6	10
Services for At-Risk Youth	20	6	5
Services for the Hard-to-Serve	18	10	3

We were not able to detect any significant difference in either the performance or expenditure rates of states with high or low levels of SDA/PIC involvement in the state policy-making process.

One mechanism for obtaining SDA input to state policy is through involvement in the development of the Governors' Coordination and Special Services Plan. Virtually all states report some mechanism for obtaining such input with more than half of the states soliciting input prior to its development and numerous other ways thereafter. Another mechanisms to obtain input and information is monitoring activities.

While the vast majority of states place a heavy emphasis on these formal mechanisms, some states rely on less formal mechanisms to obtain similar type of information. These mechanisms vary to a certain extent by size. For instance, states with PIC or SDA associations may use these as a vehicle for obtaining information while other states use staff assigned as liaisons with SDA administrative entities. These states reported that during the course of their frequent conversations information is obtained pertaining the effectiveness of the local programs. These informal mechanisms are used for problem diagnosis and to help in the design of technical assistance activities to meet SDA needs.

These less formal "intelligence gathering" mechanisms were observed within the case-study state, In Idaho, for instance the association of Private Industry Council chairs is used to exchange communication. In Georgia, the Service Delivery Areas association is used for the same purposes. In Illinois, each the SDAs and the PIC chairs have their own formal organizations. Both associations are used by the state JTPA office to exchange communication. In addition, the state JTPA staff attend every PIC meeting and most PIC committee meetings of the 26 SDAs and liaisons visit SDAs regularly for purposes other than monitoring. The state JTPA staff also conducts roundtable discussions with SDA staff for specialized purposes.

In Maryland, the state JPTA office sponsors quarterly retreats with SDA directors, PIC chairs and state job training council staff. In Nebraska, an SDA is administered by a unit separate from the state JTPA office; but both offices are located in the same building and consequently there is daily contact between both staffs.

## **CONCLUSION**

This study has documented how different state policies and organizational arrangements have had an effect on the nature of the JTPA program operating throughout the country. Some state policies such as those related to reallocation of unexpended funds and the use of the set-asides have had a direct and immediate effect on local operations. Others, such as the decisions regarding the organizational location of the state JTPA administration, have had a direct but significant effect on coordination efforts and program direction.

The study has also documented that the one of the objectives of JTPA - to create a decentralized, performance-driven management system - has been accomplished. Using federally specified performance standards as a base, states have implemented incentives and sanctions policies which focus the management of JTPA programs on improving participant outcomes. However, we were not able to determine how, or even whether, these and other state policies and practices have influenced the effectiveness of local programs in achieving specified participant outcomes. For instance, although we were able to detect the positive influence of state leadership in helping create local youth competency systems, we could not correlate the development of such systems to the long-term employability of the youth served. Making this connection will require more sophisticated measures of performance and studies involving experimental research design.

Furthermore, the issue of measuring the influence of different management practices is complicated by the fact that, even when using a case-study methodology, it is very difficult to identify qualitative differences in how well states are carrying out their various functions. We are convinced that the quantitative measures such as size of staff devoted to a certain function and incidence of certain events such as monitoring visits that we and others have used as proxies for quality do not adequately capture the qualitative aspects of state management.

At this point, we have had to rely on people's own impressions of what they have done well and what they have not. In the future, it may, however be possible to assess the relative effectiveness of different management practices in terms of other indicators such as the number of items questioned in field audits or the number of audit exceptions actually sustained through the audit process.

State officials interviewed as part of the case studies and those responding to our survey, for the most part, seemed satisfied with the formal and informal methods of communication and consultation they had developed between themselves and policy-makers at the local level. However, they felt less sanguine about the adequacy of training being provided staff and policy-makers at the state and local levels. In large measure, this is a reflection of the limited resources that have been available to devote to such activities. This limitation within the existing state and local delivery system should be taken into consideration as the U.S. Department of Labor develops its strategy to promote greater program emphasis on participant assessment and the provision of remediation services.

Our analysis confirms that no single organizational arrangement or combination of state management practices is necessarily the best. Rather, different arrangements can work successfully in different states when staff are fully trained and competent in performing the functions and the management structures are tailored to fit the unique environment in which JTPA is to be implemented within the state. This finding suggests that in conducting its Management Reviews, Department of Labor staff should recognize that different ways of conducting state business may be appropriate depending on the circumstances within the states.



Lastly, the study provides evidence that the states have tried to address Congressional interest in increasing services to welfare recipients and other "hard-to-serve" populations by using the various policy tools available to them. This agenda can be promoted even further by assisting policy-makers and practitioners throughout the system in implementing programs and management strategies that yield the results necessary.

# APPENDIX A

## CHARACTERISTICS OF STATES

Small Sized States - (PY 1985 Title II A Allotment Below \$10 million).

	PY 1985 Title II A Allotments	Persons Below Poverty Line (in 1000's) 1979	Unemployment Rate 1985	No of SDA	No of MSA's
Delaware	\$4,702,878	68	5.3	1	1
Alaska	4,702,878	42	9.7	3	1
New Hampshire	4,702,878	75	3.9	2	2
North Dakota	4,702,878	79	5.9	1	3
South Dakota	4,702,878	113	5.1	1	2
Wyoming	4,702,878	36	7.1	1	2
Vermont	4,702,878	59	4.8	1	1
Hawaii	5,778,514	92	5.6	4	1
Nevada	6,820,260	69	8.0	2	2
Nebraska	6,936,914	163	5.5	3	2
Rhode Island	7,024,036	94	4.9	3	1
Montana	7,345,249	94	7.7	2	2
Idaho	7,640,428	117	7.9	6	1
District of Columbia	7,682,743	113	8.4	1	1
Maine	8,606,435	141	5.4	2	3

## APPENDIX A

### CHARACTERISTICS OF STATES

Medium Sized States Title II-A allotment between \$10-30 million.

	PY 1985 Title II A Allotments	Persons Below Poverty Line (in 1000's) 1979	Unemployment Rate 1985	No of SDA	No of MSA's
Utah	\$10,067,553	148	5.9	9	2
Kansas	10,722,953	232	5.0	5	4
New Mexico	12,215,430	226	8.8	2	3
Connecticut	15,291,391	243	4.9	9	4
Colorado	17,968,234	285	5.9	10	6
Iowa	18,177,876	286	8.0	16	8
Arkansas	20,851,069	424	8.7	10	6
Arizona	21,664,570	351	6.5	15*	2
Oklahoma	23,018,730	394	7.1	12	5
Maryland	24,560,926	405	4.6	10	5
Oregon	25,006,321	274	8.8	7	4
South Carolina	25,238,109	500	6.8	1	7
West Virginia	25,248,458	287	13.0	2	6
Minnesota	27,001,877	375	6.0	12	5
Mississippi	27,042,089	587	10.3	3	4
Virginia	29,086,099	611	5.6	14	8

\* 5 new SDAs were created during PY 1985.

## APPENDIX A

### CHARACTERISTICS OF STATES

Large Sized States with a PY 1985 allotment between \$30-50 million).

	PY 1985 Title II A Allotments	Persons Below Poverty Line (in 1000's) 1979	Unemployment Rate 1985	No of SDA	No o MSA'
Massachusetts	\$32,564,222	532	3.9	15	5
Georgia	36,253,423	884	6.5	16	8
Missouri	39,068,427	582	6.4	15	6
Washington	40,167,230	396	8.1	12	9
Wisconsin	40,648,401	398	7.2	17	13
North Carolina	41,276,156	840	5.4	12	9
Kentucky	41,747,058	626	9.5	9	7
Louisiana	42,458,841	765	11.5	17	8
Tennessee	43,340,568	736	8.0	14	7
New Jersey	45,624,938	689	5.7	19	11
Alabama	45,931,374	720	8.9	3	10
Indiana	46,030,277	516	7.9	17	14



# APPENDIX A

## CHARACTERISTICS OF STATES

Very Large Sized States PY 1985 Title II-A allotment above \$50 million.

	PY 1985 Title II A Allotments	Persons Below Poverty Line (in 1000's) 1979	Unemployment Rate 1985	No of SDA	No of MSA's
Florida	68,598,664	1187	6.0	24	20
Ohio	98,942,168	1089	8.9	30	16
Texas	98,947,206	2036	7.0	34	28
Michigan	101,142,486	946	9.9	26	11
Illinois	103,491,557	1231	9.0	26	13
Pennsylvania	104,638,160	1210	8.0	27	15
New York	125,613,465	2299	6.5	26	13
California	200,862,696	2627	7.2	50	22